

Calendar No. 367

105TH CONGRESS
2^D Session

S. 2060

[Report No. 105-189]

A BILL

To authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

MAY 11, 1998

Reported from the Committee on Armed Services, read twice, and placed on the calendar

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To authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Department of Defense
5 Authorization Act for Fiscal Year 1999”.

1 SEC. 2. TABLE OF CONTENTS.

2 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Congressional defense committees defined.

TITLE I—PROCUREMENT

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- Sec. 101. Army.
- Sec. 102. Navy and Marine Corps.
- Sec. 103. Air Force.
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- Sec. 107. Chemical demilitarization program.
- Sec. 108. Defense health programs.
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- Sec. 111. Multiyear procurement authority for Longbow Hellfire missile program.
- Sec. 112. Condition for award of more than one multiyear contract for the family of medium tactical vehicles.
- Sec. 113. Armored system modernization.
- Sec. 114. Reactive armor tiles.
- Sec. 115. Annual reporting of costs associated with travel of members of Chemical Demilitarization Citizens' Advisory Commission.
- Sec. 116. Extension of authority to carry out Armament Retooling and Manufacturing Support Initiative.

Subtitle C—Navy Programs

- Sec. 121. CVN-77 nuclear aircraft carrier program.
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- Sec. 131. Joint surveillance target attack radar system.
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- Sec. 133. F-22 aircraft program.
- Sec. 134. C-130J aircraft program.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

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- Sec. 201. Authorization of appropriations.
- Sec. 202. Amount for basic and applied research.

**Subtitle B—Program Requirements, Restrictions, and
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- Sec. 211. Crusader self-propelled artillery system program.
- Sec. 212. CVN-77 nuclear aircraft carrier program.
- Sec. 213. Unmanned aerial vehicle programs.
- Sec. 214. Airborne laser program.
- Sec. 215. Enhanced global positioning system program.
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- Sec. 303. Armed Forces Retirement Home.
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Limitations**

- Sec. 311. Special Operations Command counterproliferation and
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- Sec. 322. Modification of deadline for submittal to Congress of annual reports
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drug activities.
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- Sec. 521. Annual manpower requirements report.
- Sec. 522. Four-year extension of certain force reduction transition period management and benefits authorities.
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- Sec. 525. Repeal of restriction on civilian employment of enlisted members.
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- Sec. 611. Three-month extension of certain bonuses and special pay authorities for reserve forces.
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- Sec. 616. Increase of maximum amount authorized for Army enlistment bonus.
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- Sec. 701. Dependents' dental program.
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- Sec. 802. Procurement of travel services for official and unofficial travel under one contract.
- Sec. 803. Limitation on use of price preference upon attainment of contract goal for small and disadvantaged businesses.
- Sec. 804. Distribution of assistance under the Procurement Technical Assistance Cooperative Agreement Program.
- Sec. 805. Defense commercial pricing management improvement.
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- Sec. 809. Eligibility of involuntarily downgraded employee for membership in an acquisition corps.
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- Sec. 901. Reduction in number of Assistant Secretary of Defense positions.
- Sec. 902. Renaming of position of Assistant Secretary of Defense for Command, Control, Communications, and Intelligence.
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- Sec. 1011. Iowa class battleship returned to Naval Vessel Register.
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- Sec. 1021. Repeal of reporting requirements.

- Sec. 1022. Report on Department of Defense financial management improvement plan.
- Sec. 1023. Feasibility study of performance of Department of Defense finance and accounting functions by private sector sources or other Federal Government sources.
- Sec. 1024. Reorganization and consolidation of operating locations of the Defense Finance and Accounting Service.
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- Sec. 1028. Report on roles in Department of Defense aviation accident investigations.
- Sec. 1029. Strategic plan for expanding distance learning initiatives.
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Subtitle D—Other Matters

- Sec. 1041. Cooperative counterproliferation program.
- Sec. 1042. Extension of counterproliferation authorities for support of United Nations Special Commission on Iraq.
- Sec. 1043. One-year extension of limitation on retirement or dismantlement of strategic nuclear delivery systems.
- Sec. 1044. Direct-line communication between United States and Russian commanders of strategic forces.
- Sec. 1045. Chemical warfare defense.
- Sec. 1046. Accounting treatment of advance payment of personnel.
- Sec. 1047. Reinstatement of definition of financial institution in authorities for reimbursing defense personnel for Government errors in direct deposits of pay.
- Sec. 1048. Pilot program on alternative notice of receipt of legal process for garnishment of federal pay for child support and alimony.
- Sec. 1049. Costs payable to the Department of Defense and other federal agencies for services provided to the Defense Commissary Agency.
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- Sec. 1051. Defense Commissary Agency telecommunications.
- Sec. 1052. Research grants competitively awarded to service academies.
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- Sec. 1054. Amounts recovered from claims against third parties for loss or damage to personal property shipped or stored at Government expense.
- Sec. 1055. Eligibility for attendance at Department of Defense domestic dependent elementary and secondary schools.
- Sec. 1056. Fees for providing historical information to the public.
- Sec. 1057. Periodic inspection of the Armed Forces Retirement Home.
- Sec. 1058. Transfer of F-4 Phantom II aircraft to foundation.
- Sec. 1059. Act constituting presidential approval of vessel war risk insurance requested by the Secretary of Defense.
- Sec. 1060. Commendation and memorialization of the United States Navy Asiatic Fleet.
- Sec. 1061. Program to commemorate 50th anniversary of the Korean War.
- Sec. 1062. Department of Defense use of frequency spectrum.
- Sec. 1063. Technical and clerical amendments.

**TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN
PERSONNEL**

- Sec. 1101. Repeal of employment preference not needed for recruitment and retention of qualified child care providers.
- Sec. 1102. Maximum pay rate comparability for faculty members of the United States Air Force Institute of Technology.
- Sec. 1103. Four-year extension of voluntary separation incentive pay authority.
- Sec. 1104. Department of Defense employee voluntary early retirement authority.
- Sec. 1105. Defense Advanced Research Projects Agency experimental personnel management program for technical personnel.

TITLE XII—JOINT WARFIGHTING EXPERIMENTATION

- Sec. 1201. Findings.
- Sec. 1202. Sense of Congress.
- Sec. 1203. Reports on joint warfighting experimentation.

1 SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

2 For purposes of this Act, the term “congressional de-
3 fense committees” means—

- 4 (1) the Committee on Armed Services and the
5 Committee on Appropriations of the Senate; and
6 (2) the Committee on National Security and the
7 Committee on Appropriations of the House of Rep-
8 resentatives.

9 TITLE I—PROCUREMENT

10 Subtitle A—Authorization of
11 Appropriations

12 SEC. 101. ARMY.

13 Funds are hereby authorized to be appropriated for
14 fiscal year 1999 for procurement for the Army as follows:

- 15 (1) For aircraft, \$1,466,508,000.

1 (2) For missiles, \$1,175,539,000.

2 (3) For weapons and tracked combat vehicles,
3 \$1,443,108,000.

4 (4) For ammunition, \$1,010,155,000.

5 (5) For other procurement, \$3,579,511,000.

6 **SEC. 102. NAVY AND MARINE CORPS.**

7 (a) NAVY.—Funds are hereby authorized to be appro-
8 priated for fiscal year 1999 for procurement for the Navy
9 as follows:

10 (1) For aircraft, \$7,499,934,000.

11 (2) For weapons, including missiles and tor-
12 pedoes, \$1,370,045,000.

13 (3) For shipbuilding and conversion,
14 \$6,067,272,000.

15 (4) For other procurement, \$4,067,907,000.

16 (b) MARINE CORPS.—Funds are hereby authorized to
17 be appropriated for fiscal year 1999 for procurement for
18 the Marine Corps in the amount of \$915,558,000.

19 (c) NAVY AND MARINE CORPS AMMUNITION.—Funds
20 are hereby authorized to be appropriated for procurement
21 of ammunition for the Navy and the Marine Corps in the
22 amount of \$459,539,000.

1 **SEC. 103. AIR FORCE.**

2 Funds are hereby authorized to be appropriated for
3 fiscal year 1999 for procurement for the Air Force as fol-
4 lows:

5 (1) For aircraft, \$8,303,839,000.

6 (2) For missiles, \$2,375,803,000.

7 (3) For ammunition, \$384,161,000.

8 (4) For other procurement, \$6,792,081,000.

9 **SEC. 104. DEFENSE-WIDE ACTIVITIES.**

10 Funds are hereby authorized to be appropriated for
11 fiscal year 1999 for Defense-wide procurement in the
12 amount of \$2,029,250,000.

13 **SEC. 105. RESERVE COMPONENTS.**

14 Funds are hereby authorized to be appropriated for
15 fiscal year 1999 for procurement of aircraft, vehicles, com-
16 munications equipment, and other equipment for the re-
17 serve components of the Armed Forces as follows:

18 (1) For the Army National Guard,
19 \$10,000,000.

20 (2) For the Air National Guard, \$10,000,000.

21 (3) For the Army Reserve, \$10,000,000.

22 (4) For the Naval Reserve, \$10,000,000.

23 (5) For the Air Force Reserve, \$10,000,000.

24 (6) For the Marine Corps Reserve,
25 \$10,000,000.

1 **SEC. 106. DEFENSE INSPECTOR GENERAL.**

2 Funds are hereby authorized to be appropriated for
3 fiscal year 1999 for procurement for the Inspector General
4 of the Department of Defense in the amount of
5 \$1,300,000.

6 **SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.**

7 There is hereby authorized to be appropriated for fis-
8 cal year 1999 the amount of \$780,150,000 for—

9 (1) the destruction of lethal chemical agents
10 and munitions in accordance with section 1412 of
11 the Department of Defense Authorization Act, 1986
12 (50 U.S.C. 1521); and

13 (2) the destruction of chemical warfare material
14 of the United States that is not covered by section
15 1412 of such Act.

16 **SEC. 108. DEFENSE HEALTH PROGRAMS.**

17 Funds are hereby authorized to be appropriated for
18 fiscal year 1999 for the Department of Defense for pro-
19 curement for carrying out health care programs, projects,
20 and activities of the Department of Defense in the total
21 amount of \$402,387,000.

22 **SEC. 109. DEFENSE EXPORT LOAN GUARANTEE PROGRAM.**

23 Funds are hereby authorized to be appropriated for
24 fiscal year 1999 for the Department of Defense for carry-
25 ing out the Defense Export Loan Guarantee Program

1 under section 2540 of title 10, United States Code, in the
 2 total amount of \$1,250,000.

3 **Subtitle B—Army Programs**

4 **SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR** 5 **Longbow Hellfire Missile Program.**

6 Beginning with the fiscal year 1999 program year,
 7 the Secretary of the Army may, in accordance with section
 8 2306b of title 10, United States Code, enter into a
 9 multiyear procurement contract for the procurement of
 10 the Longbow Hellfire missile. The contract may be for a
 11 term of five years.

12 **SEC. 112. CONDITION FOR AWARD OF MORE THAN ONE** 13 **Multiyear Contract for the Family of** 14 **Medium Tactical Vehicles.**

15 Before awarding a multiyear procurement contract
 16 for the production of the Family of Medium Tactical Vehi-
 17 cles to more than one contractor under the authority of
 18 section 112(b) of the National Defense Authorization Act
 19 for Fiscal Year 1998 (Public Law 105–85; 111 Stat.
 20 1648), the Secretary of the Army shall certify in writing
 21 to the congressional defense committees that—

22 (1) the total quantity of Family of Medium
 23 Tactical Vehicles trucks required by the Army to be
 24 delivered in any 12-month period exceeds the pro-
 25 duction capacity of any single prime contractor; or

1 (2)(A) the total cost of the procurements to the
2 Army under all such contracts over the period of the
3 contracts will be the same as or lower than the
4 amount that would be the total cost of the procure-
5 ments if only one such contract were awarded; and

6 (B) the vehicles to be produced by all contrac-
7 tors under the contracts will be produced with com-
8 mon components that will be interchangeable among
9 similarly configured models.

10 **SEC. 113. ARMORED SYSTEM MODERNIZATION.**

11 (a) LIMITATION.—Of the funds authorized to be ap-
12 propriated under section 101(3), \$20,300,000 of the funds
13 available for the M1A1D Application Integration Kit may
14 not be obligated for the procurement of the Kit until 30
15 days after the Secretary of the Army submits the report
16 required under subsection (b).

17 (b) REPORT.—Not later than January 31, 1999, the
18 Secretary of the Army shall submit a report on armored
19 system modernization to the congressional defense com-
20 mittees. The report shall contain an assessment of the cur-
21 rent acquisition and fielding strategies for the M1A2
22 Abrams Tank and M2A3 Bradley Fighting Vehicle and
23 an assessment of alternatives to those strategies. The re-
24 port shall specifically include an assessment of an alter-
25 native fielding strategy that provides for placing all of the

1 armored vehicles configured in the latest variant into one
2 heavy corps. The assessment of each alternative strategy
3 shall include the following:

4 (1) The relative effects on warfighting capabili-
5 ties in terms of operational effectiveness and train-
6 ing and support efficiencies, taking into consider-
7 ation the joint warfighting context.

8 (2) How the alternative strategy would facili-
9 tate the transition to the Future Scout and Cavalry
10 System, the Future Combat System, or other ar-
11 mored systems for the future force structure known
12 as the Army After Next.

13 (3) How the alternative strategy fits into the
14 context of overall armored system modernization
15 through 2020.

16 (4) Budgetary implications.

17 (5) Implications for the national technology and
18 industrial base.

19 **SEC. 114. REACTIVE ARMOR TILES.**

20 (a) LIMITATION.—None of the funds authorized to
21 be appropriated under section 101(3) or 102(b) may be
22 obligated for the procurement of reactive armor tiles until
23 30 days after the date on which the Secretary of Defense
24 submits to the congressional defense committees the study
25 required by subsection (c).

1 (b) EXCEPTION.—The limitation in subsection (a)
2 does not apply to the obligation of any funds for the pro-
3 curement of armor tiles for an armored vehicle for which
4 the Secretary of the Army or, in the case of the Marine
5 Corps, the Secretary of the Navy, had established a re-
6 quirement for such tiles before the date of the enactment
7 of this Act.

8 (c) STUDY REQUIRED.—(1) The Secretary of De-
9 fense shall contract with an entity independent of the De-
10 partment of Defense to conduct a study of the present
11 and future operational requirements of the Army and the
12 Marine Corps for reactive armor tiles for armored vehicles
13 and to submit to the Secretary a report on the results
14 of the study.

15 (2) The study shall include the following:

16 (A) A detailed assessment of the operational re-
17 quirements of the Army and the Marine Corps for
18 reactive armor tiles for each of the armored vehicles
19 presently in use, including the requirements for each
20 vehicle in its existing configurations and in configu-
21 rations proposed for the vehicle.

22 (B) For each armored vehicle, an analysis of
23 the costs and benefits of the procurement and instal-
24 lation of the tiles, including a comparison of those

1 costs and benefits with the costs and benefits of any
 2 existing upgrade program for the armored vehicle.

3 (3) The entity carrying out the study shall request
 4 the views of the Secretary of the Army and the Secretary
 5 of the Navy.

6 (d) SUBMISSION TO CONGRESS.—Not later than
 7 April 1, 1999, the Secretary of Defense shall submit to
 8 the congressional defense committees—

9 (1) the report on the study;

10 (2) the comments of the Secretary of the Army
 11 and the Secretary of the Navy on the study; and

12 (3) for each vehicle for which it is determined
 13 that a requirement for reactive armor tiles exists,
 14 the Secretary's recommendations as to the number
 15 of vehicles to be equipped with the tiles.

16 **SEC. 115. ANNUAL REPORTING OF COSTS ASSOCIATED**
 17 **WITH TRAVEL OF MEMBERS OF CHEMICAL**
 18 **DEMILITARIZATION CITIZENS' ADVISORY**
 19 **COMMISSION.**

20 (a) INFORMATION TO BE INCLUDED IN ANNUAL RE-
 21 PORT ON CHEMICAL DEMILITARIZATION PROGRAM.—Sec-
 22 tion 1412(g)(2) of the Department of Defense Authoriza-
 23 tion Act, 1986 (50 U.S.C. 1521(g)(2)) is amended by add-
 24 ing at the end the following:

1 “(C) An accounting of all funds expended (for
2 the fiscal year covered by the report) for travel and
3 associated travel costs for Citizens’ Advisory Com-
4 missioners under section 172(g) of Public Law 102–
5 484 (50 U.S.C. 1521 note).”.

6 (b) TECHNICAL AMENDMENT.—Section 1412(g) of
7 section 1412 of such Act is amended by striking out “(g)
8 PERIODIC REPORTS.—” and inserting in lieu thereof “(g)
9 ANNUAL REPORT.—”.

10 **SEC. 116. EXTENSION OF AUTHORITY TO CARRY OUT AR-**
11 **MAIMENT RETOOLING AND MANUFACTURING**
12 **SUPPORT INITIATIVE.**

13 Section 193(a) of the Armament Retooling and Man-
14 ufacturing Support Act of 1992 (subtitle H of title I of
15 Public Law 102–484; 10 U.S.C. 2501 note) is amended
16 by striking out “During fiscal years 1993 through 1998”
17 and inserting in lieu thereof “During fiscal years 1993
18 through 1999”.

19 **Subtitle C—Navy Programs**

20 **SEC. 121. CVN-77 NUCLEAR AIRCRAFT CARRIER PROGRAM.**

21 Of the amount authorized to be appropriated under
22 section 102(a)(3) for fiscal year 1999, \$124,500,000 is
23 available for the advance procurement and advance con-
24 struction of components (including nuclear components)
25 for the CVN–77 nuclear aircraft carrier program.

1 **SEC. 122. INCREASED AMOUNT TO BE EXCLUDED FROM**
 2 **COST LIMITATION FOR SEAWOLF SUBMARINE**
 3 **PROGRAM.**

4 Section 123(a) of the National Defense Authorization
 5 Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat.
 6 1650) is amended by striking out “\$272,400,000” and in-
 7 serting in lieu thereof “\$557,600,000”.

8 **SEC. 123. MULTIYEAR PROCUREMENT AUTHORITY FOR**
 9 **THE MEDIUM TACTICAL VEHICLE REPLACE-**
 10 **MENT.**

11 Beginning with the fiscal year 1999 program year,
 12 the Secretary of the Navy may, in accordance with section
 13 2306b of title 10, United States Code, enter into a
 14 multiyear procurement contract for the procurement of
 15 the Medium Tactical Vehicle Replacement. The contract
 16 may be for a term of five years.

17 **Subtitle D—Air Force Programs**

18 **SEC. 131. JOINT SURVEILLANCE TARGET ATTACK RADAR**
 19 **SYSTEM.**

20 (a) AMOUNT FOR FOLLOW-ON OPTIONS.—Of the
 21 amount authorized to be appropriated under section
 22 103(1) for the Joint Surveillance Target Attack Radar
 23 System (JSTARS) program, \$72,000,000 is available for
 24 funding the following options:

25 (1) Advance procurement of long-lead items for
 26 two additional E–8C JSTARS aircraft.

1 (2) Payment of expenses associated with termi-
2 nation of production of JSTARS aircraft, together
3 with augmentation of other funding for the program
4 for development of an improved joint surveillance
5 target attack radar, known as the radar technology
6 insertion program.

7 (b) LIMITATION.—None of the funds available in ac-
8 cordance with subsection (a) for funding an option de-
9 scribed in that subsection may be obligated until 30 days
10 after the date on which the Secretary of Defense submits
11 to Congress a plan for using the funds. The plan shall
12 specify the option selected, the reasons for the selection
13 of that option, and details about how the funds are to be
14 used for that option.

15 **SEC. 132. LIMITATION ON REPLACEMENT OF ENGINES ON**
16 **MILITARY AIRCRAFT DERIVED FROM BOEING**
17 **707 AIRCRAFT.**

18 None of the funds authorized to be appropriated
19 under this title may be obligated or expended for the re-
20 placement of engines on aircraft of the Department of De-
21 fense that are derived from the Boeing 707 aircraft until
22 the Secretary of Defense has submitted the analysis re-
23 quired by section 133 of the National Defense Authoriza-
24 tion Act for Fiscal Year 1998 (Public Law 105–85; 111
25 Stat. 1652).

1 **SEC. 133. F-22 AIRCRAFT PROGRAM.**

2 (a) LIMITATION ON ADVANCE PROCUREMENT.—(1)

3 Amounts available for the Department of Defense for any
4 fiscal year for the F-22 aircraft program may not be obli-
5 gated for advance procurement for the six Lot II F-22
6 aircraft before the date that is 30 days after date that
7 is applicable under paragraph (2) or (3).

8 (2) The applicable date for the purposes of paragraph
9 (1) is the date on which the Secretary of Defense submits
10 a certification under subsection (b)(1) unless the Sec-
11 retary submits a report under subsection (b)(2).

12 (3) If the Secretary submits a report under sub-
13 section (b)(2), the applicable date for the purposes of
14 paragraph (1) is the later of—

15 (A) the date on which the Secretary of Defense
16 submits the report; or

17 (B) the date on which the Director of Oper-
18 ational Test and Evaluation submits the certification
19 required under subsection (c).

20 (b) CERTIFICATION BY SECRETARY OF DEFENSE.—

21 (1) Upon the completion of 433 hours of flight testing of
22 F-22 flight test vehicles, the Secretary of Defense shall
23 submit to the congressional defense committees a certifi-
24 cation of the completion of that amount of flight testing.
25 A certification is not required under this paragraph if the
26 Secretary submits a report under paragraph (2).

1 (2) If the Secretary determines that a number of
2 hours of flight testing of F-22 flight test vehicles less than
3 433 hours provides the Defense Acquisition Board with
4 a sufficient basis for deciding to proceed into production
5 of Lot II F-22 aircraft, the Secretary may submit a report
6 to the congressional defense committees upon the comple-
7 tion of that lesser number of hours of flight testing. A
8 report under this paragraph shall contain the following:

9 (A) A certification of the number of hours of
10 flight testing completed.

11 (B) The reasons for the Secretary's determina-
12 tion that the lesser number of hours is a sufficient
13 basis for a decision by the board.

14 (C) A discussion of the extent to which the Sec-
15 retary's determination is consistent with each deci-
16 sion made by the Defense Acquisition Board since
17 January 1997 in the case of a major aircraft acqui-
18 sition program that the amount of flight testing
19 completed for the program was sufficient or not suf-
20 ficient to justify a decision to proceed into low-rate
21 initial production.

22 (D) A determination by the Secretary that it is
23 more financially advantageous for the Department to
24 proceed into production of Lot II F-22 aircraft than
25 to delay production until completion of 433 hours of

1 flight testing, together with the reasons for that de-
2 termination.

3 (c) CERTIFICATION BY THE DIRECTOR OF OPER-
4 ATIONAL TEST AND EVALUATION.—Upon the completion
5 of 183 hours of the flight testing of F-22 flight test vehi-
6 cles provided for in the test and evaluation master plan
7 for the F-22 aircraft program, as in effect on October
8 1, 1997, the Director of Operational Test and Evaluation
9 shall submit to the congressional defense committees a
10 certification of the completion of that flight testing.

11 **SEC. 134. C-130J AIRCRAFT PROGRAM.**

12 Not later than March 1, 1999, the Secretary of De-
13 fense shall review the C-130J aircraft program and sub-
14 mit a report on the program to the congressional defense
15 committees. The report shall include at least the following:

16 (1) A discussion of the testing planned and the
17 testing conducted under the program, including—

18 (A) the testing schedule intended at the
19 beginning of the program;

20 (B) the testing schedule as of when the
21 testing commenced; and

22 (C) an explanation of the time taken for
23 the testing.

24 (2) The cost and schedule of the program, in-
25 cluding—

1 (A) whether the Department has exercised
2 or plans to exercise contract options for fiscal
3 years 1996, 1997, 1998, and 1999;

4 (B) when the Department expects the air-
5 craft to be delivered and how the delivery dates
6 compare to the delivery dates specified in the
7 contract;

8 (C) whether the Department expects to
9 make any modification to the negotiated con-
10 tract price for these aircraft, and the amount
11 and basis for any such modification; and

12 (D) whether the Department expects the
13 reported delays and overruns in the develop-
14 ment of the aircraft to have any other impact
15 on the cost, schedule, or performance of the air-
16 craft.

17 **TITLE II—RESEARCH, DEVELOP-**
18 **MENT, TEST, AND EVALUA-**
19 **TION**

20 **Subtitle A—Authorization of**
21 **Appropriations**

22 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

23 Funds are hereby authorized to be appropriated for
24 fiscal year 1999 for the use of the Department of Defense
25 for research, development, test, and evaluation as follows:

1 (1) For the Army, \$4,838,145,000.

2 (2) For the Navy, \$8,199,102,000.

3 (3) For the Air Force, \$13,398,993,000.

4 (4) For Defense-wide activities,
5 \$9,837,764,000, of which—

6 (A) \$249,106,000 is authorized for the ac-
7 tivities of the Director, Test and Evaluation;
8 and

9 (B) \$25,245,000 is authorized for the Di-
10 rector of Operational Test and Evaluation.

11 **SEC. 202. AMOUNT FOR BASIC AND APPLIED RESEARCH.**

12 (a) FISCAL YEAR 1999.—Of the amounts authorized
13 to be appropriated by section 201, \$4,186,817,000 shall
14 be available for basic research and applied research
15 projects.

16 (b) BASIC RESEARCH AND APPLIED RESEARCH DE-
17 FINED.—For purposes of this section, the term “basic re-
18 search and applied research” means work funded in pro-
19 gram elements for defense research and development
20 under Department of Defense category 6.1 or 6.2.

1 **Subtitle B—Program Require-**
 2 **ments, Restrictions, and Limita-**
 3 **tions**

4 **SEC. 211. CRUSADER SELF-PROPELLED ARTILLERY SYS-**
 5 **TEM PROGRAM.**

6 (a) LIMITATION.—Of the amount authorized to be
 7 appropriated for the Army pursuant to section 201(1), not
 8 more than \$223,000,000 may be obligated for the Cru-
 9 sader self-propelled artillery system program until 30 days
 10 after the date on which the Secretary of the Army submits
 11 the report required under subsection (b).

12 (b) REQUIREMENT FOR REPORT.—The Secretary of
 13 the Army shall submit to the congressional defense com-
 14 mittees a report on the Crusader self-propelled artillery
 15 system. The report shall include the following:

16 (1) An assessment of the risks associated with
 17 the current Crusader program technology.

18 (2) The total requirements for the Crusader
 19 system, taking into consideration revisions in force
 20 structure resulting from the redesign of heavy and
 21 light divisions to achieve a force structure known as
 22 the Army After Next.

23 (3) The potential for reducing the weight of the
 24 Crusader system by as much as 50 percent.

1 (4) The potential for using alternative propel-
 2 lants for the artillery projectile for the Crusader sys-
 3 tem and the effects on the overall program schedule
 4 that would result from taking the actions and time
 5 necessary to develop mature technologies for alter-
 6 native propellants.

7 (5) An analysis of the costs and benefits of de-
 8 laying procurement of Crusader to avoid afford-
 9 ability issues associated with the current schedule
 10 and to allow for maturation of weight and propellant
 11 technologies.

12 (c) SUBMISSION OF REPORT.—The Secretary of the
 13 Army shall submit the report not later than March 1,
 14 1999.

15 **SEC. 212. CVN-77 NUCLEAR AIRCRAFT CARRIER PROGRAM.**

16 (a) AMOUNT FOR NEW TECHNOLOGIES.—Of the
 17 amounts authorized to be appropriated under section
 18 201(2) for aircraft carrier system development,
 19 \$50,000,000 shall be available only for research, develop-
 20 ment, test, and evaluation, and for acquisition, of tech-
 21 nologies described in subsection (b) for use in the CVN-
 22 77 nuclear aircraft carrier program.

23 (b) TECHNOLOGIES.—The technologies for which
 24 amounts are available under subsection (a) are tech-
 25 nologies that are designed—

1 (1) for a transition from the CVN-77 aircraft
2 carrier program to the CV(X) aircraft carrier pro-
3 gram; and

4 (2) for—

5 (A) demonstrating enhanced capabilities
6 for the CV(X) aircraft carrier program; or

7 (B) mitigating the cost or technical risks
8 of that program.

9 **SEC. 213. UNMANNED AERIAL VEHICLE PROGRAMS.**

10 (a) **TERMINATION OF DARK STAR PROGRAM.**—The
11 Secretary of Defense shall terminate the Dark Star un-
12 manned aerial vehicle program. Except as provided in sub-
13 section (b), funds available for that program may be obli-
14 gated after the date of the enactment of this Act only for
15 costs necessary for terminating the program.

16 (b) **GLOBAL HAWK PROGRAM.**—Of the unobligated
17 balance of the funds available for the Dark Star un-
18 manned aerial vehicle program, \$32,500,000 shall be
19 available for the procurement of three Global Hawk un-
20 manned aerial vehicles. However, none of the funds made
21 available for the Global Hawk unmanned aerial vehicle
22 program under the preceding sentence may be obligated
23 or expended for that program until phase II testing of the
24 Global Hawk unmanned aerial vehicle has been completed.

1 **SEC. 214. AIRBORNE LASER PROGRAM.**

2 (a) FINDINGS.—Congress makes the following find-
3 ings:

4 (1) The development plan of the Department of
5 Defense for the Airborne Laser Program does not
6 include the basic validation of certain key tech-
7 nologies until 2002, which is shortly before the pro-
8 gram is scheduled to enter the engineering and man-
9 ufacturing development phase of development.

10 (2) It is possible that the technical risk of the
11 Airborne Laser Program could be substantially re-
12 duced by restructuring the program to include a
13 technology demonstration using a low power laser
14 device to collect optical data in an operationally rep-
15 resentative environment.

16 (3) Department of Defense officials are cur-
17 rently planning to have expended approximately
18 \$1,300,000,000 on the Airborne Laser Program by
19 the end of fiscal year 2002, and a total of
20 \$6,300,000,000 by the end of fiscal year 2008 for
21 the development of the system and the procurement
22 of seven airborne laser aircraft.

23 (4) Due to the likely vulnerability of an air-
24 borne laser system to air defense threats, the limited
25 lethal range of the laser device, and other oper-
26 ational limitations of the system, the utility of the

1 airborne laser system will be severely restricted
2 under a wide range of operational scenarios.

3 (b) ASSESSMENT OF TECHNICAL AND OPERATIONAL
4 LIMITATIONS.—The Secretary of Defense shall conduct an
5 assessment of the technical obstacles and operational
6 shortcomings expected for the Airborne Laser Program.
7 In conducting the assessment, the Secretary shall—

8 (1) require the Panel on Reducing Risk in Bal-
9 listic Missile Defense Test Programs to evaluate the
10 adequacy of the test program for the Airborne Laser
11 Program; and

12 (2) establish an independent team of persons
13 from outside the Department of Defense who are ex-
14 perts in relevant fields to review the operational limi-
15 tations and issues associated with the Airborne
16 Laser Program.

17 (c) REPORT ON ASSESSMENT.—Not later than March
18 15, 1999, the Secretary shall submit a report on the as-
19 sessment to Congress. The report shall include the Sec-
20 retary's findings and any recommendations that the Sec-
21 retary considers appropriate.

22 (d) FUNDING FOR PROGRAM.—Of the amount au-
23 thorized to be appropriated under section 201(3),
24 \$195,219,000 shall be available for the Airborne Laser
25 Program.

1 (e) LIMITATION.—Of the amount made available pur-
 2 suant to subsection (d), not more than \$150,000,000 may
 3 be obligated until 30 days after the Secretary submits the
 4 report required under subsection (c).

5 **SEC. 215. ENHANCED GLOBAL POSITIONING SYSTEM PRO-**
 6 **GRAM.**

7 (a) FINDINGS.—Congress makes the following find-
 8 ings:

9 (1) Section 152(b) of the National Defense Au-
 10 thorization Act for Fiscal Year 1994 (Public Law
 11 103–160; 107 Stat. 1578) prohibits the obligation of
 12 funds, after September 30, 2000, to modify or pro-
 13 cure any Department of Defense aircraft, ship, ar-
 14 mored vehicle, or indirect-fire weapon system that is
 15 not equipped with a Global Positioning System re-
 16 ceiver.

17 (2) Section 279(b) of the National Defense Au-
 18 thorization Act for Fiscal Year 1996 (Public Law
 19 104–106; 110 Stat. 243) requires the Secretary of
 20 Defense to prepare a plan for enhancing the Global
 21 Positioning System and to provide in that plan for—

22 (A) the development of capabilities to deny
 23 hostile military forces the ability to use the
 24 Global Positioning System without hindering
 25 the ability of United States military forces and

1 civil users to have access to and use of the sys-
2 tem; and

3 (B) the development and acquisition of re-
4 ceivers for the Global Positioning System and
5 other techniques for weapons and weapon sys-
6 tems that provide substantially improved resist-
7 ance to jamming and other forms of electronic
8 interference or disruption.

9 (3) Section 2281 of title 10, United States
10 Code, requires the Secretary of Defense—

11 (A) to develop appropriate measures for
12 preventing hostile use of the Global Positioning
13 System so as to make it unnecessary for the
14 Secretary to use the selective availability fea-
15 ture of the system continuously while not hin-
16 dering the use of the Global Positioning System
17 by the United States and its allies for military
18 purposes;

19 (B) to ensure that the Armed Forces of
20 the United States have the capability to use the
21 Global Positioning System effectively despite
22 hostile attempts to prevent the use of the sys-
23 tem by such forces; and

24 (C) to develop measures for preventing
25 hostile use of the Global Positioning System in

1 a particular area without hindering peaceful
2 civil use of the system elsewhere.

3 (b) POLICY ON PRIORITY FOR DEVELOPMENT OF EN-
4 HANCED GPS SYSTEM.—The development of an enhanced
5 Global Positioning System is an urgent national security
6 priority.

7 (c) DEVELOPMENT REQUIRED.—To fulfill the re-
8 quirements described in subsection (a), the Secretary of
9 Defense shall develop an enhanced Global Positioning Sys-
10 tem in accordance with the priority declared in subsection
11 (b). The enhanced Global Positioning System shall consist
12 of the following elements:

13 (1) An evolved satellite system that includes dy-
14 namic frequency reconfiguration and regional-level
15 directional signal enhancements.

16 (2) Enhanced receivers and user equipment
17 that are capable of providing military users with di-
18 rect access to encrypted Global Positioning System
19 signals.

20 (3) To the extent funded by the Secretary of
21 Transportation, additional civil frequencies and
22 other enhancements for civil users.

23 (d) SENSE OF CONGRESS REGARDING FUNDING.—
24 It is the sense of Congress that—

1 (1) the Secretary of Defense should ensure that
 2 the future-years defense program provides for suffi-
 3 cient funding to develop and deploy an enhanced
 4 Global Positioning System system in accordance
 5 with the priority declared in subsection (b); and

6 (2) the Secretary of Transportation should pro-
 7 vide sufficient funding to support additional civil fre-
 8 quencies for the Global Positioning System and
 9 other enhancements of the system for civil users.

10 (e) PLAN FOR DEVELOPMENT OF ENHANCED GLOB-
 11 AL POSITIONING SYSTEM.—Not later than April 15, 1999,
 12 the Secretary of Defense shall submit to Congress a plan
 13 for carrying out the requirements of subsection (c).

14 (f) DELAYED EFFECTIVE DATE FOR LIMITATION ON
 15 PROCUREMENT OF SYSTEMS NOT GPS-EQUIPPED.—Sec-
 16 tion 152(b) of the National Defense Authorization Act for
 17 Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1578)
 18 is amended by striking out “2000” and inserting in lieu
 19 thereof “2005”.

20 (g) FUNDING FROM AUTHORIZED APPROPRIATIONS
 21 FOR FISCAL YEAR 1999.—Of the amounts authorized to
 22 be appropriated under section 201(3), \$44,000,000 shall
 23 be available to establish and carry out an enhanced Global
 24 Positioning System program.

1 **SEC. 216. MANUFACTURING TECHNOLOGY PROGRAM.**

2 (a) COMPETITION AND COST SHARING.—Subsection
3 (d) of section 2525 of title 10, United States Code, is
4 amended by striking out paragraphs (2), (3), and (4) and
5 inserting in lieu thereof the following:

6 “(2) Except as provided in paragraph (3), the costs
7 of a project carried out under the program shall be shared
8 by the Department of Defense and the other parties to
9 the grant, contract, cooperative agreement, or other trans-
10 action involved if any results of the project are likely to
11 have an immediate and direct commercial application. The
12 cost share—

13 “(A) in the case of a grant, contract, coopera-
14 tive agreement, or other transaction that is awarded
15 using a competitive selection process, shall be the
16 cost share proposed in the application or offer se-
17 lected for the award; or

18 “(B) in a case in which there is only one appli-
19 cant or offeror, shall be the cost share negotiated
20 with the applicant or offeror that provides the best
21 value for the Government.

22 “(3)(A) Cost-sharing is not required of the non-Fed-
23 eral Government parties to a grant, contract, cooperative
24 agreement, or other transaction under paragraph (2) if
25 the project is determined as being sufficiently high risk

1 to discourage cost-sharing by non-Federal Government
2 sources.

3 “(B) A determination under subparagraph (A) that
4 cost-sharing is not required in the case of a particular
5 grant, contract, cooperative agreement or other trans-
6 action shall be made by—

7 “(i) the Secretary of the military department
8 awarding the grant or entering into the contract, co-
9 operative agreement, or other transaction; or

10 “(ii) the Secretary of Defense for any other
11 grant, contract, cooperative agreement, or trans-
12 action.

13 “(C) The transaction file for a case in which cost-
14 sharing is determined as not being required shall include
15 written documentation of the reasons for the determina-
16 tion.”.

17 (b) FIVE-YEAR PLAN.—Subsection (e)(2) of such
18 section is amended to read as follows:

19 “(2) The plan shall include the following:

20 “(A) An assessment of the effectiveness of the
21 program.

22 “(B) An assessment of the extent to which the
23 costs of projects are being shared by the following:

24 “(i) Commercial enterprises in the private
25 sector.

1 “(ii) Department of Defense program of-
2 fices, including weapon system program offices.

3 “(iii) Departments and agencies of the
4 Federal Government outside the Department of
5 Defense.

6 “(iv) Institutions of higher education.

7 “(v) Other institutions not operated for
8 profit.

9 “(vi) Other sources.”.

10 **SEC. 217. AUTHORITY FOR USE OF MAJOR RANGE AND**
11 **TEST FACILITY INSTALLATIONS BY COMMER-**
12 **CIAL ENTITIES.**

13 (a) PERMANENT AUTHORITY.—Subsection (g) of sec-
14 tion 2681 of title 10, United States Code, is repealed.

15 (b) REPEAL OF EXECUTED REPORTING REQUIRE-
16 MENT.—Subsection (h) of such section is repealed.

17 **SEC. 218. EXTENSION OF AUTHORITY TO CARRY OUT CER-**
18 **TAIN PROTOTYPE PROJECTS.**

19 Section 845(c) of the National Defense Authorization
20 Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C.
21 2371 note) is amended by striking out “September 30,
22 1999” and inserting in lieu thereof “September 30,
23 2001”.

1 **Subtitle C—Other Matters**

2 **SEC. 231. POLICY WITH RESPECT TO BALLISTIC MISSILE** 3 **DEFENSE COOPERATION.**

4 As the United States proceeds with efforts to develop
 5 defenses against ballistic missile attack, it should seek to
 6 foster a climate of cooperation with Russia on matters re-
 7 lated to missile defense. In particular, the United States
 8 and its NATO allies should seek to cooperate with Russia
 9 in such areas as early warning.

10 **TITLE III—OPERATION AND** 11 **MAINTENANCE**

12 **Subtitle A—Authorization of** 13 **Appropriations**

14 **SEC. 301. OPERATION AND MAINTENANCE FUNDING.**

15 (a) AMOUNTS AUTHORIZED.—Funds are hereby au-
 16 thorized to be appropriated for fiscal year 1999 for the
 17 use of the Armed Forces and other activities and agencies
 18 of the Department of Defense for expenses, not otherwise
 19 provided for, for operation and maintenance, in amounts
 20 as follows:

- 21 (1) For the Army, \$17,395,563,000.
- 22 (2) For the Navy, \$22,001,302,000.
- 23 (3) For the Marine Corps, \$2,638,703,000.
- 24 (4) For the Air Force, \$19,213,404,000.

1 (5) For the Special Operations Command,
2 \$1,251,503,000.

3 (6) For Defense-wide activities,
4 \$9,025,598,000.

5 (7) For the Army Reserve, \$1,217,622,000.

6 (8) For the Naval Reserve, \$943,639,000.

7 (9) For the Marine Corps Reserve,
8 \$134,593,000.

9 (10) For the Air Force Reserve,
10 \$1,759,696,000.

11 (11) For the Army National Guard,
12 \$2,476,815,000.

13 (12) For the Air National Guard,
14 \$3,113,933,000.

15 (13) For the Defense Inspector General,
16 \$130,764,000.

17 (14) For the United States Court of Appeals
18 for the Armed Forces, \$7,324,000.

19 (15) For Environmental Restoration, Army,
20 \$370,640,000.

21 (16) For Environmental Restoration, Navy,
22 \$274,600,000.

23 (17) For Environmental Restoration, Air Force,
24 \$372,100,000.

1 (18) For Environmental Restoration, Defense-
2 wide, \$23,091,000.

3 (19) For Environmental Restoration, Formerly
4 Used Defense Sites, \$195,000,000.

5 (20) For Overseas Humanitarian, Demining,
6 and CINC Initiatives, \$50,000,000.

7 (21) For Drug Interdiction and Counter-drug
8 Activities, Defense-wide, \$727,582,000.

9 (22) For the Kaho'olawe Island Conveyance,
10 Remediation, and Environmental Restoration Trust
11 Fund, \$15,000,000.

12 (23) For Medical Programs, Defense,
13 \$9,653,435,000.

14 (24) For Cooperative Threat Reduction pro-
15 grams, \$440,400,000.

16 (25) For Overseas Contingency Operations
17 Transfer Fund, \$746,900,000.

18 (26) For Impact Aid, \$35,000,000.

19 (b) GENERAL LIMITATION.—Notwithstanding para-
20 graphs (1) through (25) of subsection (a), the total
21 amount authorized to be appropriated for fiscal year 1999
22 under those paragraphs is \$93,875,207,000.

23 **SEC. 302. WORKING CAPITAL FUNDS.**

24 Funds are hereby authorized to be appropriated for
25 fiscal year 1999 for the use of the Armed Forces and other

1 activities and agencies of the Department of Defense for
2 providing capital for working capital and revolving funds
3 in amounts as follows:

4 (1) For the Defense Working Capital Funds,
5 Air Force, \$30,800,000.

6 (2) For Defense Working-Capital Fund, De-
7 fense-wide, \$63,700,000.

8 (3) For the National Defense Sealift Fund,
9 \$669,566,000.

10 **SEC. 303. ARMED FORCES RETIREMENT HOME.**

11 There is hereby authorized to be appropriated for fis-
12 cal year 1999 from the Armed Forces Retirement Home
13 Trust Fund the sum of \$70,745,000 for the operation of
14 the Armed Forces Retirement Home, including the United
15 States Soldiers' and Airmen's Home and the Naval Home.

16 **SEC. 304. TRANSFER FROM THE NATIONAL DEFENSE**
17 **STOCKPILE TRANSACTION FUND.**

18 (a) TRANSFER AUTHORITY.—To the extent provided
19 in appropriations Acts, not more than \$150,000,000 is au-
20 thorized to be transferred from the National Defense
21 Stockpile Transaction Fund to operation and maintenance
22 accounts for fiscal year 1999 in amounts as follows:

23 (1) For the Army, \$50,000,000.

24 (2) For the Navy, \$50,000,000.

25 (3) For the Air Force, \$50,000,000.

1 (b) TREATMENT OF TRANSFERS.—Amounts trans-
 2 ferred under this section—

3 (1) shall be merged with, and be available for
 4 the same purposes and the same period as, the
 5 amounts in the accounts to which transferred; and

6 (2) may not be expended for an item that has
 7 been denied authorization of appropriations by Con-
 8 gress.

9 (c) RELATIONSHIP TO OTHER TRANSFER AUTHOR-
 10 ITY.—The transfer authority provided in this section is in
 11 addition to the transfer authority provided in section
 12 1001.

13 **Subtitle B—Program Require-** 14 **ments, Restrictions, and Limita-** 15 **tions**

16 **SEC. 311. SPECIAL OPERATIONS COMMAND** 17 **COUNTERPROLIFERATION AND** 18 **COUNTERTERRORISM ACTIVITIES.**

19 Of the amount authorized to be appropriated under
 20 section 301(a)(5), the \$18,500,000 available for the Spe-
 21 cial Operations Command that is not needed for the oper-
 22 ation of six of the patrol coastal craft of the Department
 23 of Defense in the Caribbean Sea and Eastern Pacific
 24 Ocean in support of the drug interdiction efforts of the
 25 United States Southern Command by reason of section

1 331 shall be available for increased training and related
 2 operations in support of that command's
 3 counterproliferation of weapons of mass destruction and
 4 the command's counterterrorism activities. The amount
 5 available under the preceding sentence is in addition to
 6 other funds authorized to be appropriated under section
 7 301(a)(5) for the Special Operations Command for such
 8 purposes.

9 **SEC. 312. TAGGING SYSTEM FOR IDENTIFICATION OF HY-**
 10 **DROCARBON FUELS USED BY THE DEPART-**
 11 **MENT OF DEFENSE.**

12 (a) **AUTHORITY TO CONDUCT PILOT PROGRAM.**—
 13 The Secretary of Defense may conduct a pilot program
 14 using existing technology to determine—

15 (1) the feasibility of tagging hydrocarbon fuels
 16 used by the Department of Defense for the purposes
 17 of analyzing and identifying such fuels;

18 (2) the deterrent effect of such tagging on the
 19 theft and misuse of fuels purchased by the Depart-
 20 ment; and

21 (3) the extent to which such tagging assists in
 22 determining the source of surface and underground
 23 pollution in locations having separate fuel storage
 24 facilities of the Department and of civilian compa-
 25 nies.

1 (b) SYSTEM ELEMENTS.—The tagging system under
2 the pilot program shall have the following characteristics:

3 (1) The tagging system does not harm the envi-
4 ronment.

5 (2) Each chemical used in the tagging system
6 is—

7 (A) approved for use under the Toxic Sub-
8 stances Control Act (15 U.S.C. 2601 et seq.);
9 and

10 (B) substantially similar to the fuel to
11 which added, as determined in accordance with
12 criteria established by the Environmental Pro-
13 tection Agency for the introduction of additives
14 into hydrocarbon fuels.

15 (3) The tagging system permits a determination
16 if a tag is present and a determination if the con-
17 centration of a tag has changed in order to facilitate
18 identification of tagged fuels and detection of dilu-
19 tion of tagged fuels.

20 (4) The tagging system does not impair or de-
21 grade the suitability of tagged fuels for their in-
22 tended use.

23 (c) REPORT.—Not later than 30 days after the com-
24 pletion of the pilot program, the Secretary shall submit
25 to Congress a report setting forth the results of the pilot

1 program and including any recommendations for legisla-
 2 tion relating to the tagging of hydrocarbon fuels by the
 3 Department that the Secretary considers appropriate.

4 (d) FUNDING.—Of the amounts authorized to be ap-
 5 propriated under section 301(a)(6) for operation and
 6 maintenance for defense-wide activities, not more than
 7 \$5,000,000 shall be available for the pilot program.

8 **SEC. 313. PILOT PROGRAM FOR ACCEPTANCE AND USE OF**
 9 **LANDING FEES CHARGED FOR USE OF DO-**
 10 **MESTIC MILITARY AIRFIELDS BY CIVIL AIR-**
 11 **CRAFT.**

12 (a) PILOT PROGRAM AUTHORIZED.—The Secretary
 13 of each military department may carry out a pilot program
 14 to demonstrate the use of landing fees as a source of fund-
 15 ing for the operation and maintenance of airfields of the
 16 department.

17 (b) IMPOSITION OF LANDING FEES.—Under a pilot
 18 program carried out under this section, the Secretary of
 19 a military department may prescribe and impose landing
 20 fees for use of any military airfield of the department in
 21 the United States by civil aircraft during fiscal years 1999
 22 and 2000. No fee may be charged under the pilot program
 23 for a landing after September 30, 2000.

24 (c) USE OF PROCEEDS.—Amounts received for a fis-
 25 cal year in payment of landing fees imposed under the

1 pilot program for use of a military airfield shall be cred-
 2 ited to the appropriation that is available for that fiscal
 3 year for the operation and maintenance of the military air-
 4 field, shall be merged with amounts in the appropriation
 5 to which credited, and shall be available for that military
 6 airfield for the same period and purposes as the appropria-
 7 tion is available.

8 (d) REPORT.—Not later than March 31, 2000, the
 9 Secretary of Defense shall submit to Congress a report
 10 on the pilot programs carried out under this section by
 11 the Secretaries of the military departments. The report
 12 shall specify the amounts of fees received and retained by
 13 each military department under the pilot program as of
 14 December 31, 1999.

15 **Subtitle C—Environmental** 16 **Provisions**

17 **SEC. 321. TRANSPORTATION OF POLYCHLORINATED** 18 **BIPHENYLS FROM ABROAD FOR DISPOSAL IN** 19 **THE UNITED STATES.**

20 (a) AUTHORITY.—Chapter 157 of title 10, United
 21 States Code, is amended by adding at the end the follow-
 22 ing:

1 **“§ 2646. Transportation of polychlorinated biphenyls**
2 **from abroad; disposal**

3 “(a) AUTHORITY TO TRANSPORT.—(1) Subject to
4 paragraph (2), the Secretary of the Defense and the Sec-
5 retaries of the military departments may provide for the
6 transportation into the customs territory of the United
7 States of polychlorinated biphenyls generated by or under
8 the control of the Department of Defense for purposes of
9 their disposal, treatment, or storage in the customs terri-
10 tory of the United States.

11 “(2) Polychlorinated biphenyls may be transported
12 into the customs territory of the United States under
13 paragraph (1) only if the Administrator of the Environ-
14 mental Protection Agency determines that the transpor-
15 tation will not result in an unreasonable risk of injury to
16 health or the environment.

17 “(b) DISPOSAL.—(1) The disposal, treatment, and
18 storage of polychlorinated biphenyls transported into the
19 customs territory of the United States under subsection
20 (a) shall be governed by the provisions of the Toxic Sub-
21 stances Control Act (15 U.S.C. 2601 et seq.).

22 “(2) A chemical waste landfill may not be used for
23 the disposal, treatment, or storage of polychlorinated
24 biphenyls transported into the customs territory of the
25 United States under subsection (a) unless the landfill
26 meets all of the technical requirements specified in section

1 761.75(b)(3) of title 40, Code of Federal Regulations, as
 2 in effect on the date that was one year before the date
 3 of enactment of the National Defense Authorization Act
 4 for Fiscal Year 1999.

5 “(c) CUSTOMS TERRITORY OF THE UNITED STATES
 6 DEFINED.—In this section, the term ‘customs territory of
 7 the United States’ has the meaning given that term in
 8 General Note 2. of the Harmonized Tariff Schedule of the
 9 United States.”.

10 (b) CLERICAL AMENDMENT.—The table of sections
 11 at the beginning of that chapter is amended by adding
 12 at the end the following:

“2646. Transportation of polychlorinated biphenyls from abroad; disposal.”.

13 **SEC. 322. MODIFICATION OF DEADLINE FOR SUBMITTAL**
 14 **TO CONGRESS OF ANNUAL REPORTS ON EN-**
 15 **VIRONMENTAL ACTIVITIES.**

16 Section 2706 of title 10, United States Code, is
 17 amended by striking out “not later than 30 days” each
 18 place it appears in subsections (a), (b), (c), and (d) and
 19 inserting in lieu thereof “not later than 45 days”.

20 **SEC. 323. SUBMARINE SOLID WASTE CONTROL.**

21 (a) SOLID WASTE DISCHARGE REQUIREMENTS.—
 22 Subsection (c)(2) of section 3 of the Act to Prevent Pollu-
 23 tion from Ships (33 U.S.C. 1902) is amended—

24 (1) in subparagraph (A), by adding at the end
 25 the following:

1 “(iii) With regard to submersibles, non-plastic
2 garbage that has been compacted and weighted to
3 ensure negative buoyancy.”; and

4 (2) in subparagraph (B)(ii), by striking out
5 “subparagraph (A)(ii)” and inserting in lieu thereof
6 “clauses (ii) and (iii) of subparagraph (A)”.

7 (b) CONFORMING AMENDMENT.—Subsection
8 (e)(3)(A) of that section is amended by striking out “gar-
9 bage that contains more than the minimum amount prac-
10 ticable of”.

11 **SEC. 324. PAYMENT OF STIPULATED PENALTIES ASSESSED**
12 **UNDER CERCLA.**

13 The Secretary of Defense may pay, from amounts in
14 the Department of Defense Base Closure Account 1990
15 established by section 2906(a)(1) of the Defense Base Clo-
16 sure and Realignment Act of 1990 (part A of title XXIX
17 of Public Law 101–510; 10 U.S.C. 2687 note), not more
18 than \$15,000 as payment of pay stipulated civil penalties
19 assessed under the Comprehensive Environmental Re-
20 sponse, Compensation, and Liability Act of 1980 (42
21 U.S.C. 9601 et seq.) against McClellan Air Force Base,
22 California.

1 **SEC. 325. AUTHORITY TO PAY NEGOTIATED SETTLEMENT**
2 **FOR ENVIRONMENTAL CLEANUP OF FOR-**
3 **MERLY USED DEFENSE SITES IN CANADA.**

4 (a) FINDINGS.—Congress makes the following find-
5 ings with respect to the authorization of payment of settle-
6 ment with Canada in subsection (b) regarding environ-
7 mental cleanup at formerly used defense sites in Canada:

8 (1) A unique and longstanding national security
9 alliance exists between the United States and Can-
10 ada.

11 (2) The sites covered by the settlement were
12 formerly used by the United States and Canada for
13 their mutual defense.

14 (3) There is no formal treaty or international
15 agreement between the United States and Canada
16 regarding the environmental cleanup of the sites.

17 (4) Environmental contamination at some of
18 the sites could pose a substantial risk to the health
19 and safety of the United States citizens residing in
20 States near the border between the United States
21 and Canada.

22 (5) The United States and Canada reached a
23 negotiated agreement for an ex-gratia reimburse-
24 ment of Canada in full satisfaction of claims of Can-
25 ada relating to environmental contamination which
26 agreement was embodied in an exchange of Notes

1 between the Government of the United States and
2 the Government of Canada.

3 (6) There is a unique factual basis for authoriz-
4 ing a reimbursement of Canada for environmental
5 cleanup at sites in Canada after the United States
6 departure from such sites.

7 (7) The basis for and authorization of such re-
8 imbursement does not extend to similar claims by
9 other nations.

10 (8) The Government of Canada is committed to
11 spending the entire \$100,000,000 of the reimburse-
12 ment authorized in subsection (b) in the United
13 States, which will benefit United States industry and
14 United States workers.

15 (b) AUTHORITY TO MAKE PAYMENTS.—(1) Subject
16 to paragraph (3), the Secretary of Defense may, using
17 funds specified under subsection (c), make a payment de-
18 scribed in paragraph (2) in each of fiscal years 1999
19 through 2008 for purposes of the ex-gratia reimbursement
20 of Canada in full satisfaction of any and all claims as-
21 serted against the United States by Canada for environ-
22 mental cleanup of sites in Canada that were formerly used
23 for the mutual defense of the United States and Canada.

24 (2) A payment referred to in paragraph (1) is a pay-
25 ment of \$10,000,000, in constant fiscal year 1996 dollars,

1 into the Foreign Military Sales Trust Account for pur-
 2 poses of Canada.

3 (3) A payment may be made under paragraph (1) in
 4 any fiscal year after fiscal year 1999 only if the Secretary
 5 of Defense submits to Congress with the budget for such
 6 fiscal year under section 1105 of title 31, United States
 7 Code, evidence that the cumulative amount expended by
 8 the Government of Canada for environmental cleanup ac-
 9 tivities in Canada during any fiscal years before such fiscal
 10 year in which a payment under that paragraph was au-
 11 thorized was an amount equal to or greater than the ag-
 12 gregate amount of the payments under that paragraph
 13 during such fiscal years.

14 (c) SOURCE OF FUNDS.—A payment may be made
 15 under subsection (b) in a fiscal year from amounts appro-
 16 priated pursuant to the authorization of appropriations for
 17 the Department of Defense for such fiscal year for Oper-
 18 ation and Maintenance, Defense-Wide.

19 **SEC. 326. SETTLEMENT OF CLAIMS OF FOREIGN GOVERN-**
 20 **MENTS FOR ENVIRONMENTAL CLEANUP OF**
 21 **OVERSEAS SITES FORMERLY USED BY THE**
 22 **DEPARTMENT OF DEFENSE.**

23 (a) NOTICE OF NEGOTIATIONS.—The President shall
 24 notify Congress before entering into any negotiations for
 25 the ex-gratia settlement of the claims of a government of

1 another country against the United States for environ-
2 mental cleanup of sites in that country that were formerly
3 used by the Department of Defense.

4 (b) AUTHORIZATION REQUIRED FOR USE FUNDS
5 FOR PAYMENT OF SETTLEMENT.—Notwithstanding any
6 other provision of law, no funds may be utilized for any
7 payment under an ex-gratia settlement of any claims de-
8 scribed in subsection (a) unless the use of the funds for
9 that purpose is specifically authorized by law, treaty, or
10 international agreement.

11 **SEC. 327. ARCTIC MILITARY ENVIRONMENTAL COOPERA-**
12 **TION PROGRAM.**

13 (a) FINDINGS.—Congress makes the following find-
14 ings:

15 (1) The Secretary of Defense has developed a
16 program to address environmental matters relating
17 to the military activities of the Department of De-
18 fense in the Arctic region. The program is known as
19 the “Arctic Military Environmental Cooperation
20 Program”.

21 (2) The Secretary has carried out the Arctic
22 Military Environmental Cooperation Program using
23 funds appropriated for Cooperative Threat Reduc-
24 tion programs.

1 (b) ACTIVITIES UNDER PROGRAM.—(1) Subject to
2 paragraph (2), activities under the Arctic Military Envi-
3 ronmental Cooperation Program shall include cooperative
4 activities on environmental matters in the Arctic region
5 with the military departments and agencies of other coun-
6 tries, including the Russian Federation.

7 (2) Activities under the Arctic Military Environ-
8 mental Cooperation Program may not include any activi-
9 ties for purposes for which funds for Cooperative Threat
10 Reduction programs have been denied, including the pur-
11 poses for which funds were denied by section 1503 of the
12 National Defense Authorization Act for Fiscal Year 1997
13 (Public Law 104–201; 110 Stat. 2732).

14 (c) AVAILABILITY OF FISCAL YEAR 1999 FUNDS.—
15 (1) Of the amount authorized to be appropriated by sec-
16 tion 301(a)(6), \$4,000,000 shall be available for carrying
17 out the Arctic Military Environmental Program.

18 (2) Amounts available for the Arctic Military Envi-
19 ronmental Cooperation Program under paragraph (1) may
20 not be obligated or expended for that Program until 45
21 days after the date on which the Secretary of Defense sub-
22 mits to the congressional defense committees a plan for
23 the Program under paragraph (3).

1 (3) The plan for the Arctic Military Environmental
2 Cooperation Program under this paragraph shall include
3 the following:

4 (A) A statement of the overall goals and objec-
5 tives of the Program.

6 (B) A statement of the proposed activities
7 under the Program and the relationship of such ac-
8 tivities to the national security interests of the
9 United States.

10 (C) An assessment of the compatibility of the
11 activities set forth under subparagraph (B) with the
12 purposes of the Cooperative Threat Reduction pro-
13 grams of the Department of Defense (including with
14 any prohibitions and limitations applicable to such
15 programs).

16 (D) An estimate of the funding to be required
17 and requested in future fiscal years for the activities
18 set forth under subparagraph (B).

19 (E) A proposed termination date for the Pro-
20 gram.

Subtitle D—Counter-Drug Activities

SEC. 331. PATROL COASTAL CRAFT FOR DRUG INTERDIC- TION BY SOUTHERN COMMAND.

Of the funds authorized to be appropriated under section 301(a)(21), relating to drug interdiction and counter-drug activities, \$18,500,000 shall be available for the equipping and operation of six of the Cyclone class coastal defense ships of the Department of Defense in the Caribbean Sea and Eastern Pacific Ocean in support of the drug interdiction efforts of the United States Southern Command.

SEC. 332. PROGRAM AUTHORITY FOR DEPARTMENT OF DE- FENSE SUPPORT FOR COUNTER-DRUG AC- TIVITIES.

(a) EXTENSION OF AUTHORITY.—Subsection (a) of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 374 note) is amended by striking out “through 1999” and inserting in lieu thereof “through 2004”.

(b) BASES AND FACILITIES SUPPORT.—(1) Subsection (b)(4) of such section is amended by inserting “of the Department of Defense or any Federal, State, local, or foreign law enforcement agency” after “counter-drug activities”.

1 (2) Section 1004 of such Act is further amended by
2 adding at the end the following:

3 “(h) CONGRESSIONAL NOTIFICATION OF FACILITIES
4 PROJECTS.—(1) Not later than 21 days before obligating
5 funds for beginning the work on a project described in
6 paragraph (2), the Secretary of Defense shall submit to
7 the congressional defense committees a notification of the
8 project, including the scope and estimated total cost of the
9 project.

10 “(2) Paragraph (1) applies to a project for the modi-
11 fication or repair of a Department of Defense facility for
12 the purpose set forth in subsection (b)(4) that is estimated
13 to cost more than \$500,000.”.

14 **SEC. 333. SOUTHWEST BORDER FENCE.**

15 (a) LIMITATION OF FUNDING FOR EXPANSION.—
16 None of the funds authorized to be appropriated for the
17 Department of Defense by this Act may be used to expand
18 the Southwest border fence until the Secretary of Defense
19 submits the report required by subsection (b).

20 (b) REPORT.—The Secretary of Defense shall submit
21 to the congressional defense committees a report on the
22 extent to which the Southwest border fence has reduced
23 the illegal transportation of narcotics and other drugs into
24 the United States.

1 (c) SOUTHWEST BORDER FENCE DEFINED.—In this
 2 section, the term “Southwest border fence” means the
 3 fence that was constructed, at Department of Defense ex-
 4 pense, along the southwestern border of the United States
 5 for the purpose of preventing or reducing the illegal trans-
 6 portation of narcotics and other drugs into the United
 7 States.

8 **Subtitle E—Other Matters**

9 **SEC. 341. LIQUIDITY OF WORKING-CAPITAL FUNDS.**

10 (a) INCREASED CASH BALANCES.—The Secretary of
 11 Defense shall administer the working-capital funds of the
 12 Department of Defense during fiscal year 1999 so as to
 13 ensure that the total amount of the cash balances in such
 14 funds on September 30, 1999, exceeds the total amount
 15 of the cash balances in such funds on September 30, 1998,
 16 by \$1,300,000,000.

17 (b) ACTIONS REGARDING UNBUDGETED LOSSES AND
 18 GAINS.—(1) In order to achieve the increase in cash bal-
 19 ances in working-capital funds required under subsection
 20 (a), the Under Secretary of Defense (Comptroller) shall—

21 (A) assess surcharges on the rates charged to
 22 Department of Defense activities for the perform-
 23 ance of depot-level maintenance and repair work-
 24 loads for those activities in fiscal year 1999 as nec-
 25 essary to recoup for the working-capital funds the

1 amounts of any operational losses that are incurred
2 in the performance of those workloads in excess of
3 the amounts of the losses that are budgeted for fis-
4 cal year 1999; and

5 (B) return to Department of Defense activities
6 any amounts that—

7 (i) are realized for the working-capital
8 funds for depot-level maintenance and repair
9 workloads in excess of the estimated revenues
10 budgeted for the performance of those work-
11 loads that originate in those activities; and

12 (ii) are not needed to achieve the required
13 increase in cash balances.

14 (2) The Under Secretary of Defense (Comptroller)
15 shall prescribe policies and procedures for carrying out
16 paragraph (1). The policies and procedures shall include
17 a prohibition on applying assessments of surcharges to a
18 Department of Defense activity more frequently than once
19 every six months.

20 (c) WAIVER.—(1) The Secretary of Defense may
21 waive the requirements of this section upon certifying to
22 Congress, in writing, that the waiver is necessary to meet
23 requirements associated with—

24 (A) a contingency operation (as defined in sec-
25 tion 101(a)(13) of title 10, United States Code); or

1 (B) an operation of the Armed Forces that
2 commenced before October 1, 1998, and continues
3 during fiscal year 1999.

4 (2) The waiver authority under paragraph (1) may
5 not be delegated to any official other than the Deputy Sec-
6 retary of Defense.

7 (d) SEMIANNUAL REPORT.—(1) The Under Sec-
8 retary shall submit to the Committee on Armed Services
9 of the Senate and the Committee on National Security of
10 the House of Representatives—

11 (A) not later than May 1, 1999, a report on the
12 administration of this section for the 6-month period
13 ending on March 31, 1999; and

14 (B) not later than November 1, 1999, a report
15 on the administration of this section for the 6-month
16 period ending on September 30, 1999.

17 (2) Each report shall include, for the 6-month period
18 covered by the report, the following:

19 (A) The profit and loss status of each working-
20 capital fund activity.

21 (B) The actions taken by the Secretary of each
22 military department to use assessments of sur-
23 charges to correct for unbudgeted losses and gains.

1 **SEC. 342. TERMINATION OF AUTHORITY TO MANAGE**
2 **WORKING-CAPITAL FUNDS AND CERTAIN AC-**
3 **TIVITIES THROUGH THE DEFENSE BUSINESS**
4 **OPERATIONS FUND.**

5 (a) REVISION OF CERTAIN DBOF PROVISIONS AND
6 REENACTMENT TO APPLY TO WORKING-CAPITAL FUNDS
7 GENERALLY.—Section 2208 of title 10, United States
8 Code, is amended by adding at the end the following:

9 “(m) CAPITAL ASSET SUBACCOUNTS.—Amounts
10 charged for depreciation of capital assets shall be credited
11 to a separate capital asset subaccount established within
12 a working-capital fund.

13 “(n) SEPARATE ACCOUNTING, REPORTING, AND AU-
14 DITING OF FUNDS AND ACTIVITIES.—The Secretary of
15 Defense, with respect to the working-capital funds of each
16 Defense Agency, and the Secretary of each military de-
17 partment, with respect to the working-capital funds of the
18 military department, shall provide in accordance with this
19 subsection for separate accounting, reporting, and audit-
20 ing of funds and activities managed through the working-
21 capital funds.

22 “(o) CHARGES FOR GOODS AND SERVICES PROVIDED
23 THROUGH THE FUND.—(1) Charges for goods and serv-
24 ices provided for an activity through a working-capital
25 fund shall include the following:

1 “(A) Amounts necessary to recover the full
2 costs of the goods and services provided for that ac-
3 tivity.

4 “(B) Amounts for depreciation of capital assets,
5 set in accordance with generally accepted accounting
6 principles.

7 “(2) Charges for goods and services provided through
8 a working-capital fund may not include the following:

9 “(A) Amounts necessary to recover the costs of
10 a military construction project (as defined in section
11 2801(b) of this title), other than a minor construc-
12 tion project financed by the fund pursuant to section
13 2805(e)(1) of this title.

14 “(B) Amounts necessary to cover costs incurred
15 in connection with the closure or realignment of a
16 military installation.

17 “(C) Amounts necessary to recover the costs of
18 functions designated by the Secretary of Defense as
19 mission critical, such as ammunition handling safe-
20 ty, and amounts for ancillary tasks not directly re-
21 lated to the mission of the function or activity man-
22 aged through the fund.

23 “(p) PROCEDURES FOR ACCUMULATION OF
24 FUNDS.—The Secretary of Defense, with respect to each
25 working-capital fund of a Defense Agency, and the Sec-

1 retary of a military department, with respect to each work-
 2 ing-capital fund of the military department, shall establish
 3 billing procedures to ensure that the balance in that work-
 4 ing-capital fund does not exceed the amount necessary to
 5 provide for the working-capital requirements of that fund,
 6 as determined by the Secretary concerned.

7 “(q) ANNUAL REPORTS AND BUDGET.—The Sec-
 8 retary of Defense, with respect to each working-capital
 9 fund of a Defense Agency, and the Secretary of each mili-
 10 tary department, with respect to each working-capital
 11 fund of the military department, shall annually submit to
 12 Congress, at the same time that the President submits the
 13 budget under section 1105 of title 31, the following:

14 “(1) A detailed report that contains a state-
 15 ment of all receipts and disbursements of the fund
 16 (including such a statement for each subaccount of
 17 the fund) for the fiscal year ending in the year pre-
 18 ceding the year in which the budget is submitted.

19 “(2) A detailed proposed budget for the oper-
 20 ation of the fund for the fiscal year for which the
 21 budget is submitted.

22 “(3) A comparison of the amounts actually ex-
 23 pended for the operation of the fund for the fiscal
 24 year referred to in paragraph (1) with the amount

1 proposed for the operation of the fund for that fiscal
2 year in the President's budget.

3 “(4) A report on the capital asset subaccount of
4 the fund that contains the following information:

5 “(A) The opening balance of the sub-
6 account as of the beginning of the fiscal year in
7 which the report is submitted.

8 “(B) The estimated amounts to be credited
9 to the subaccount in the fiscal year in which the
10 report is submitted.

11 “(C) The estimated amounts of outlays to
12 be paid out of the subaccount in the fiscal year
13 in which the report is submitted.

14 “(D) The estimated balance of the sub-
15 account at the end of the fiscal year in which
16 the report is submitted.

17 “(E) A statement of how much of the esti-
18 mated balance at the end of the fiscal year in
19 which the report is submitted will be needed to
20 pay outlays in the immediately following fiscal
21 year that are in excess of the amount to be
22 credited to the subaccount in the immediately
23 following fiscal year.”.

1 (b) REPEAL OF AUTHORITY TO MANAGE THROUGH
 2 THE DEFENSE BUSINESS OPERATIONS FUND.—(1) Sec-
 3 tion 2216a of title 10, United States Code, is repealed.

4 (2) The table of sections at the beginning of chapter
 5 131 of such title is amended by striking out the item relat-
 6 ing to section 2216a.

7 **SEC. 343. CLARIFICATION OF AUTHORITY TO RETAIN RE-**
 8 **COVERED COSTS OF DISPOSALS IN WORKING-**
 9 **CAPITAL FUNDS.**

10 Section 2210(a) of title 10, United States Code, is
 11 amended to read as follows:

12 “(a)(1) A working-capital fund established pursuant
 13 to section 2208 of this title may retain so much of the
 14 proceeds of disposals of property referred to in paragraph
 15 (2) as is necessary to recover the expenses incurred by
 16 the fund in disposing of such property. Proceeds from the
 17 sale or disposal of such property in excess of amounts nec-
 18 essary to recover the expenses may be credited to current
 19 applicable appropriations of the Department of Defense.

20 “(2) Paragraph (1) applies to disposals of supplies,
 21 material, equipment, and other personal property that
 22 were not financed by stock funds established under section
 23 2208 of this title.”.

1 **SEC. 344. BEST COMMERCIAL INVENTORY PRACTICES FOR**
2 **MANAGEMENT OF SECONDARY SUPPLY**
3 **ITEMS.**

4 (a) DEVELOPMENT AND SUBMISSION OF SCHED-
5 ULE.—Not later than 180 days after the date of the enact-
6 ment of this Act, the Secretary of each military depart-
7 ment shall develop and submit to Congress a schedule for
8 implementing within the military department, for second-
9 ary supply items managed by that military department,
10 inventory practices identified by the Secretary as being the
11 best commercial inventory practices for the acquisition
12 and distribution of such supply items consistent with mili-
13 tary requirements. The schedule shall provide for the im-
14 plementation of such practices to be completed not later
15 than five years after the date of the enactment of this Act.

16 (b) DEFINITION.—For purposes of this section, the
17 term “best commercial inventory practice” includes cel-
18 lular repair processes, use of third-party logistics provid-
19 ers, and any other practice that the Secretary determines
20 will enable the military department to reduce inventory
21 levels and holding costs while improving the responsive-
22 ness of the supply system to user needs.

23 (c) GAO REPORTS ON MILITARY DEPARTMENT AND
24 DEFENSE LOGISTICS AGENCY SCHEDULES.—(1) Not
25 later than 240 days after the date of the enactment of
26 this Act, the Comptroller General shall submit to Congress

1 a report evaluating the extent to which the Secretary of
2 each military department has complied with the require-
3 ments of this section.

4 (2) Not later than 18 months after the date on which
5 the Director of the Defense Logistics Agency submits to
6 Congress a schedule for implementing best commercial in-
7 ventory practices under section 395 of the National De-
8 fense Authorization Act for Fiscal Year 1998 (Public Law
9 105–85; 111 Stat. 1718; 10 U.S.C. 2458 note), the Comp-
10 troller General shall submit to Congress an evaluation of
11 the extent to which best commercial inventory practices
12 are being implemented in the Defense Logistics Agency
13 in accordance with that schedule.

14 **SEC. 345. INCREASED USE OF SMART CARDS.**

15 (a) FUNDING FOR INCREASED USE GENERALLY.—
16 Of the funds available for the Navy for fiscal year 1999
17 for operation and maintenance, the Secretary of the Navy
18 shall allocate sufficient amounts, up to \$25,000,000, to
19 making significant progress toward ensuring that smart
20 cards having a multi-application, multi-technology auto-
21 mated reading capability are issued and used throughout
22 the Navy and the Marine Corps for purposes for which
23 such cards are suitable.

24 (b) DEPLOYMENT OF SMART CARDS.—(1) Not later
25 than March 31, 1999, the Secretary of the Navy shall

1 equip with smart card technology at least one carrier bat-
2 tle group, one carrier air wing, and one amphibious readi-
3 ness group (including the Marine Corps units embarked
4 on the vessels of such battle and readiness groups) in each
5 of the United States Atlantic Command and the United
6 States Pacific Command.

7 (2) None of the funds appropriated pursuant to any
8 authorization of appropriations in this Act may be ex-
9 pended after March 31, 1999, for the procurement of the
10 Joint Uniformed Services Identification card for, or for
11 the issuance of such card to, members of the Navy or the
12 Marine Corps until the Secretary of the Navy certifies in
13 writing to the Committee on Armed Services of the Senate
14 and the Committee on National Security of the House of
15 Representatives that the Secretary has completed the
16 issuance of smart cards in accordance with paragraph (1).

17 (c) PLAN.—Not later than March 31, 1999, the Sec-
18 retary of the Navy shall submit to the congressional de-
19 fense committees a plan for equipping all operational
20 naval units with smart card technology. The Secretary
21 shall include in the plan estimates of the costs of, and
22 the savings to be derived from, carrying out the plan.

23 (d) SMART CARD DEFINED.—In this section, the
24 term “smart card” means a credit card size device that
25 contains one or more integrated-circuits.

1 **SEC. 346. PUBLIC-PRIVATE COMPETITION IN THE PROVI-**
2 **SION OF SUPPORT SERVICES.**

3 (a) SENSE OF THE SENATE.—It is the sense of the
4 Senate that the Secretary of Defense should take action
5 to initiate public-private competitions pursuant to Office
6 of Management and Budget Circular A–76 for functions
7 of the Department of Defense involving not fewer than
8 a number of employees equivalent to 30,000 full-time em-
9 ployees for each of fiscal years 1999, 2000, 2001, 2002,
10 2003, and 2004.

11 (b) SMALL FUNCTIONS QUALIFIED FOR A WAIVER
12 OF THE NOTIFICATION AND REPORTING REQUIREMENTS
13 FOR CONVERSION TO CONTRACTOR PERFORMANCE.—(1)
14 Section 2461(d) of title 10, United States Code, is amend-
15 ed by striking out “20 or fewer” and inserting in lieu
16 thereof “50 or fewer”.

17 (2) Notwithstanding any other provision of law, no
18 study, notification, or report may be required pursuant to
19 subsection (a), (b), or (c) of section 2461 of title 10,
20 United States Code, or Office of Management and Budget
21 Circular A–76 for functions that are being performed by
22 50 or fewer Department of Defense civilian employees.

23 (c) BEST OVERALL VALUE TO THE TAXPAYER.—Sec-
24 tion 2462(a) of title 10, United States Code, is amended
25 by striking out “at a cost that is lower” and all that fol-
26 lows through the period at the end and inserting in lieu

1 thereof: “at a lower cost than the cost at which the De-
 2 partment can provide the same supply or service or at a
 3 better overall value than the value that the Department
 4 can provide for the same supply or service. Each deter-
 5 mination regarding relative cost or relative overall value
 6 shall be based on an objective evaluation of cost and per-
 7 formance-related factors and shall include the consider-
 8 ation of any cost differential required by law, Executive
 9 order, or regulation.”.

10 (d) EFFECTIVE DATE.—Subsections (b) and (c), and
 11 the amendments made by such subsections, shall take ef-
 12 fect on January 1, 2001.

13 **SEC. 347. CONDITION FOR PROVIDING FINANCIAL ASSIST-**
 14 **ANCE FOR SUPPORT OF ADDITIONAL DUTIES**
 15 **ASSIGNED TO THE ARMY NATIONAL GUARD.**

16 (a) COMPETITIVE SOURCE SELECTION.—Section
 17 113(b) of title 32, United States Code, is amended to read
 18 as follows:

19 “(b) COVERED ACTIVITIES.—(1) Except as provided
 20 in paragraph (2), financial assistance may be provided for
 21 the performance of an activity by the Army National
 22 Guard under subsection (a) only if—

23 “(A) the activity is carried out in the perform-
 24 ance of a responsibility of the Secretary of the Army

1 under paragraph (6), (10), or (11) of section
2 3013(b) of title 10; and

3 “(B) the Army National Guard was selected to
4 perform the activity under competitive procedures
5 that permit all responsible private-sector sources to
6 submit offers and be considered for selection to per-
7 form the activity on the basis of the offers.

8 “(2) Paragraph (1)(B) does not apply to an activity
9 that, on the date of the enactment of the National Defense
10 Authorization Act for Fiscal Year 1999, was performed
11 for the Federal Government by employees of the Federal
12 Government or employees of a State.”.

13 (b) PROSPECTIVE APPLICABILITY.—Subparagraph
14 (B) of section 113(b)(1) of title 32, United States Code
15 (as amended by subsection (a) of this section), does not
16 apply to—

17 (1) financial assistance provided under that sec-
18 tion before October 1, 1998; or

19 (2) financial assistance for an activity that, on
20 or before May 8, 1998, the Secretary of the Army
21 identified in writing as being under consideration for
22 supporting with financial assistance under such sec-
23 tion.

1 **SEC. 348. REPEAL OF PROHIBITION ON JOINT USE OF**
 2 **GRAY ARMY AIRFIELD, FORT HOOD, TEXAS.**

3 Section 319 of the National Defense Authorization
 4 Act for Fiscal Year 1987 (Public Law 99–661; 100 Stat.
 5 3855), relating to a prohibition on the joint military-civil-
 6 ian use of Robert Gray Army Airfield, Fort Hood, Texas,
 7 is repealed.

8 **TITLE IV—MILITARY**
 9 **PERSONNEL AUTHORIZATIONS**
 10 **Subtitle A—Active Forces**

11 **SEC. 401. END STRENGTHS FOR ACTIVE FORCES.**

12 The Armed Forces are authorized strengths for active
 13 duty personnel as of September 30, 1999, as follows:

- 14 (1) The Army, 480,000.
- 15 (2) The Navy, 372,696.
- 16 (3) The Marine Corps, 172,200.
- 17 (4) The Air Force, 370,882.

18 **SEC. 402. LIMITED EXCLUSIONS OF JOINT DUTY OFFICERS**
 19 **FROM LIMITATIONS ON NUMBER OF GEN-**
 20 **ERAL AND FLAG OFFICERS.**

21 (a) ONE ADDITIONAL EXEMPTION FROM PERCENT-
 22 AGE LIMITATION ON NUMBER OF LIEUTENANT GEN-
 23 ERALS AND VICE ADMIRALS.—Section 525(b)(4)(B) of
 24 title 10, United States Code, is amended by striking out
 25 “six” and inserting in lieu thereof “seven”.

1 (b) EXTENSION OF AUTHORITY TO EXCLUDE UP TO
 2 12 JOINT DUTY OFFICERS FROM LIMITATION ON AU-
 3 THORIZED GENERAL AND FLAG OFFICER STRENGTH.—
 4 Section 526(b)(2) of such title is amended by striking out
 5 “October 1, 1998” and inserting in lieu thereof “October
 6 1, 2002”.

7 **SEC. 403. LIMITATION ON DAILY AVERAGE OF PERSONNEL**
 8 **ON ACTIVE DUTY IN GRADES E-8 AND E-9.**

9 (a) FISCAL YEAR BASIS FOR APPLICATION OF LIMI-
 10 TATION.—The first sentence of section 517(a) of title 10,
 11 United States Code, is amended—

12 (1) by striking out “a calendar year” and in-
 13 serting in lieu thereof “a fiscal year”; and

14 (2) by striking out “January 1 of that year”
 15 and inserting in lieu thereof “the first day of that
 16 fiscal year”.

17 (b) CORRECTION OF CROSS REFERENCE.—Such sen-
 18 tence is further amended by striking out “Except as pro-
 19 vided in section 307 of title 37, the” and inserting in lieu
 20 thereof “The”.

21 **SEC. 404. REPEAL OF PERMANENT END STRENGTH RE-**
 22 **QUIREMENT FOR SUPPORT OF TWO MAJOR**
 23 **REGIONAL CONTINGENCIES.**

24 (a) REPEAL.—Section 691 of title 10, United States
 25 Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 39 of such title is amended by striking out the item relating to section 691.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1999, as follows:

(1) The Army National Guard of the United States, 357,000.

(2) The Army Reserve, 208,000.

(3) The Naval Reserve, 90,843.

(4) The Marine Corps Reserve, 40,018.

(5) The Air National Guard of the United States, 106,991.

(6) The Air Force Reserve, 74,242.

(7) The Coast Guard Reserve, 8,000.

(b) WAIVER AUTHORITY.—The Secretary of Defense may vary an end strength authorized by subsection (a) by not more than 2 percent.

(c) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of

1 such component which are on active duty (other
2 than for training) at the end of the fiscal year, and
3 (2) the total number of individual members not
4 in units organized to serve as units of the Selected
5 Reserve of such component who are on active duty
6 (other than for training or for unsatisfactory partici-
7 pation in training) without their consent at the end
8 of the fiscal year.

9 Whenever such units or such individual members are re-
10 leased from active duty during any fiscal year, the end
11 strength prescribed for such fiscal year for the Selected
12 Reserve of such reserve component shall be proportion-
13 ately increased by the total authorized strengths of such
14 units and by the total number of such individual members.

15 **SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE**
16 **DUTY IN SUPPORT OF THE RESERVES.**

17 Within the end strengths prescribed in section
18 411(a), the reserve components of the Armed Forces are
19 authorized, as of September 30, 1999, the following num-
20 ber of Reserves to be serving on full-time active duty or
21 full-time duty, in the case of members of the National
22 Guard, for the purpose of organizing, administering, re-
23 cruiting, instructing, or training the reserve components:

24 (1) The Army National Guard of the United
25 States, 21,763.

1 (2) The Army Reserve, 11,804.

2 (3) The Naval Reserve, 15,590.

3 (4) The Marine Corps Reserve, 2,362.

4 (5) The Air National Guard of the United
5 States, 10,930.

6 (6) The Air Force Reserve, 991.

7 **SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS**
8 **(DUAL STATUS).**

9 The reserve components of the Army and the Air
10 Force are authorized strengths for military technicians
11 (dual status) as of September 30, 1999, as follows:

12 (1) For the Army Reserve, 5,205.

13 (2) For the Army National Guard of the United
14 States, 22,179.

15 (3) For the Air Force Reserve, 9,761.

16 (4) For the Air National Guard of the United
17 States, 22,408.

18 **SEC. 414. EXCLUSION OF ADDITIONAL RESERVE COMPO-**
19 **NENT GENERAL AND FLAG OFFICERS FROM**
20 **LIMITATION ON NUMBER OF GENERAL AND**
21 **FLAG OFFICERS WHO MAY SERVE ON ACTIVE**
22 **DUTY.**

23 Section 526(d) of title 10, United States Code, is
24 amended to read as follows:

1 “(d) EXCLUSION OF CERTAIN RESERVE OFFI-
 2 CERS.—(1) Subject to paragraph (2), the limitations of
 3 this section do not apply to the following reserve compo-
 4 nent general or flag officers:

5 “(A) A general or flag officer who is on active
 6 duty for training.

7 “(B) A general or flag officer who is on active
 8 duty under a call or order specifying a period of less
 9 than 180 days.

10 “(C) A general or flag officer who is on active
 11 duty under a call or order specifying a period of
 12 more than 179 days.

13 “(2) The number of general or flag officers of an
 14 armed force that are excluded from the applicability of the
 15 limitations of this section under paragraph (1)(C) at any
 16 one time may not exceed the number equal to three per-
 17 cent of the number specified for that armed force under
 18 subsection (a).”.

19 **SEC. 415. INCREASE IN NUMBERS OF MEMBERS IN CER-**
 20 **TAIN GRADES AUTHORIZED TO BE ON ACTIVE**
 21 **DUTY IN SUPPORT OF THE RESERVES.**

22 (a) OFFICERS.—The table in section 12011(a) of title
 23 10, United States Code, is amended to read as follows:

“Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	3,219	1,071	791	140
Lieutenant Colonel or Commander	1,524	520	713	90
Colonel or Navy Captain	438	188	297	30”.

(b) SENIOR ENLISTED MEMBERS.—The table in section 12012(a) of title 10, United States Code, is amended to read as follows:

“Grade	Army	Navy	Air Force	Marine Corps
E-9	623	202	395	20
E-8	2,585	429	997	94”.

SEC. 416. CONSOLIDATION OF STRENGTH AUTHORIZATIONS FOR ACTIVE STATUS NAVAL RESERVE FLAG OFFICERS OF THE NAVY MEDICAL DEPARTMENT STAFF CORPS.

Section 12004(c) of subtitle E of title 10, United States Code, is amended—

(1) in the table in paragraph (1)—

(A) by striking out the item relating to the Medical Corps and inserting in lieu thereof the following:

“Medical Department staff corps 9”;

and

(B) by striking out the items relating to the Dental Corps, the Nurse Corps, and the Medical Service Corps; and

(2) by adding at the end the following:

“(4)(A) For the purposes of paragraph (1), the Medical Department staff corps referred to in the table are as follows:

“(i) The Medical Corps.

1 “(ii) The Dental Corps.

2 “(iii) The Nurse Corps.

3 “(iv) The Medical Service Corps.

4 “(B) Each of the Medical Department staff corps is
 5 authorized one rear admiral (lower half) within the
 6 strength authorization distributed to the Medical Depart-
 7 ment staff corps under paragraph (1). The Secretary of
 8 the Navy shall distribute the remainder of the strength
 9 authorization for the Medical Department staff corps
 10 under that paragraph among those staff corps as the Sec-
 11 retary determines appropriate to meet the needs of the
 12 Navy.”.

13 **Subtitle C—Authorization of** 14 **Appropriations**

15 **SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILI-** 16 **TARY PERSONNEL.**

17 There is hereby authorized to be appropriated to the
 18 Department of Defense for military personnel for fiscal
 19 year 1999 a total of \$70,434,386,000. The authorization
 20 in the preceding sentence supersedes any other authoriza-
 21 tion of appropriations (definite or indefinite) for such pur-
 22 pose for fiscal year 1999.

1 **TITLE V—MILITARY PERSONNEL**
2 **POLICY**
3 **Subtitle A—Officer Personnel**
4 **Policy**

5 **SEC. 501. STREAMLINED SELECTIVE RETENTION PROCESS**
6 **FOR REGULAR OFFICERS.**

7 (a) REPEAL OF REQUIREMENT FOR DUPLICATIVE
8 BOARD.—Section 1183 of title 10, United States Code,
9 is repealed.

10 (b) CONFORMING AMENDMENTS.—(1) Section
11 1182(c) of such title is amended by striking out “send
12 the record of proceedings to a board of review convened
13 under section 1183 of this title” and inserting in lieu
14 thereof “recommend to the Secretary concerned that the
15 officer not be retained on active duty”.

16 (2) Section 1184 of such title is amended by striking
17 out “board of review convened under section 1183 of this
18 title” and inserting in lieu thereof “board of inquiry con-
19 vened under section 1182 of this title”.

20 (c) CLERICAL AMENDMENTS.—(1) The heading for
21 section 1184 of such title is amended by striking out “**re-**
22 **view**” and inserting in lieu thereof “**inquiry**”.

23 (2) The table of sections at the beginning of chapter
24 60 of such title is amended by striking out the items relat-

1 ing to sections 1183 and 1184 and inserting in lieu thereof
 2 the following:

“1184. Removal of officer: action by Secretary upon recommendation of board
 of inquiry.”.

3 **SEC. 502. PERMANENT APPLICABILITY OF LIMITATIONS**
 4 **ON YEARS OF ACTIVE NAVAL SERVICE OF**
 5 **NAVY LIMITED DUTY OFFICERS IN GRADES**
 6 **OF COMMANDER AND CAPTAIN.**

7 (a) COMMANDERS.—Section 633 of title 10, United
 8 States Code, is amended—

9 (1) by striking out “Except an officer” and all
 10 that follows through “or section 6383 of this title
 11 applies” and inserting in lieu thereof “Except an of-
 12 ficer of the Navy or Marine Corps who is an officer
 13 designated for limited duty to whom section 5596(e)
 14 or 6383 of this title applies”; and

15 (2) by striking out the second sentence.

16 (b) CAPTAINS.—Section 634 of such title is amend-
 17 ed—

18 (1) by inserting “an officer of the Navy who is
 19 designated for limited duty to whom section
 20 6383(a)(4) of this title applies and except” in the
 21 first sentence after “Except”; and

22 (2) by striking out the second sentence.

1 (c) YEARS OF ACTIVE NAVAL SERVICE.—Section
 2 6383(a) of such title is amended by striking out paragraph
 3 (5).

4 (d) LIMITATIONS ON SELECTIVE RETENTIONS.—Sec-
 5 tion 6383(k) of such title is amended by striking out the
 6 last sentence.

7 **SEC. 503. INVOLUNTARY SEPARATION PAY DENIED FOR**
 8 **OFFICER DISCHARGED FOR FAILURE OF SE-**
 9 **LECTION FOR PROMOTION REQUESTED BY**
 10 **THE OFFICER.**

11 (a) INELIGIBILITY FOR SEPARATION PAY.—Section
 12 1174(a) of title 10, United States Code, is amended by
 13 adding at the end the following:

14 “(3) Notwithstanding paragraphs (1) and (2), an of-
 15 ficer discharged for twice failing of selection for promotion
 16 to the next higher grade is not entitled to separation pay
 17 under this section if the officer submitted a request not
 18 to be selected for promotion to any selection board that
 19 considered and did not select the officer for promotion to
 20 that grade.”.

21 (b) REPORT OF SELECTION BOARD TO NAME OFFI-
 22 CERS REQUESTING NONSELECTION.—Section 617 of such
 23 title is amended by adding at the end the following:

24 “(c) A selection board convened under section 611(a)
 25 of this title shall include in its report to the Secretary con-

cerned the name of any regular officer considered and not recommended by the board for promotion who submitted to the board a request not to be selected for promotion.”.

(c) **EFFECTIVE DATE.**—This section and the amendments made by this section shall take effect on the date of the enactment of this Act and shall apply with respect to selection boards convened under section 611(a) of title 10, United States Code, on or after that date.

SEC. 504. TERM OF OFFICE OF THE CHIEF OF THE AIR FORCE NURSE CORPS.

Section 8069(b) of title 10, United States Code, is amended in the third sentence by striking out “and” and inserting in lieu thereof the following: “except that the Secretary may increase the limit to four years in any case in which the Secretary determines that special circumstances justify a longer term of service in the position. An officer appointed as Chief”.

Subtitle B—Reserve Component Matters

SEC. 511. SERVICE REQUIRED FOR RETIREMENT OF NATIONAL GUARD OFFICER IN HIGHER GRADE.

(a) **REVISION OF REQUIREMENT.**—Subparagraph (E) of section 1370(d)(3) of title 10, United States Code, is amended to read as follows:

1 “(E) To the extent authorized by the Secretary of
 2 the military department concerned, a person who, after
 3 having been found qualified for Federal recognition in a
 4 higher grade by a board under section 307 of title 32,
 5 serves in a position for which that grade is the minimum
 6 authorized grade and is appointed as a reserve officer in
 7 that grade may be credited for the purposes of subpara-
 8 graph (A) as having served in that grade. The period of
 9 the service for which credit is afforded under the preceding
 10 sentence may only be the period for which the person
 11 served in the position after the Senate provides advice and
 12 consent for the appointment.”.

13 (b) EFFECTIVE DATE.—The amendment made by
 14 subsection (a) shall take effect on the date of the enact-
 15 ment of this Act and shall apply with respect to appoint-
 16 ments to higher grades that take effect after that date.

17 **SEC. 512. REDUCED TIME-IN-GRADE REQUIREMENT FOR**
 18 **RESERVE GENERAL AND FLAG OFFICERS IN-**
 19 **VOLUNTARILY TRANSFERRED FROM ACTIVE**
 20 **STATUS.**

21 (a) MINIMUM SERVICE IN ACTIVE STATUS.—Section
 22 1370(d)(3) of title 10, United States Code, as amended
 23 by section 511, is further amended by adding at the end
 24 the following new subparagraph:

1 “(F) A person covered by subparagraph (A) who has
 2 completed at least six months of satisfactory service in a
 3 grade above colonel or (in the case of the Navy) captain
 4 and, while serving in an active status in such grade, is
 5 involuntarily transferred (other than for cause) from ac-
 6 tive status may be credited with satisfactory service in the
 7 grade in which serving at the time of such transfer, not-
 8 withstanding failure of the person to complete three years
 9 of service in that grade.”.

10 (b) EFFECTIVE DATE.—Subparagraph (F) of such
 11 section, as added by subsection (a), shall take effect on
 12 the date of the enactment of this Act and shall apply with
 13 respect to transfers referred to in such subparagraph that
 14 are made on or after that date.

15 **SEC. 513. ELIGIBILITY OF ARMY AND AIR FORCE RESERVE**
 16 **BRIGADIER GENERALS TO BE CONSIDERED**
 17 **FOR PROMOTION WHILE ON INACTIVE STA-**
 18 **TUS LIST.**

19 (a) WAIVER OF ACTIVE STATUS REQUIREMENT.—
 20 Chapter 1405 of title 10, United States Code, is amended
 21 by adding at the end the following:

1 **“§ 14318. Officers on inactive status list: eligibility of**
 2 **Army and Air Force reserve brigadier**
 3 **generals for consideration for promotion**

4 “(a) WAIVER OF ONE-YEAR ACTIVE STATUS
 5 RULE.—The Secretary concerned may waive the eligibility
 6 requirements in section 14301(a) of this title (and the re-
 7 quirement in section 140101(a) of this title that an officer
 8 be on a reserve active-status list) in the case of a general
 9 officer referred to in subsection (b) and authorize the offi-
 10 cer to be considered for promotion under this chapter by
 11 a promotion board convened under section 14101(a) of
 12 this title.

13 “(b) APPLICABILITY.—Subsection (a) applies to a re-
 14 serve officer of the Army or Air Force who—

15 “(1) is on the inactive status list of the Standby
 16 Reserve in the grade of brigadier general pursuant
 17 to a transfer under section 14314(a)(2) of this title;

18 “(2) has been on the inactive status list pursu-
 19 ant to the transfer for less than one year as of the
 20 date of the convening of the promotion board that
 21 is to consider the officer for promotion; and

22 “(3) during the one-year period ending on the
 23 date of the transfer to the inactive status list, con-
 24 tinuously performed service on either the reserve ac-
 25 tive-status list, the active-duty list, or a combination
 26 of both lists.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
 2 at the beginning of such chapter is amended by adding
 3 at the end the following:

“14318. Officers on inactive status list: eligibility of Army and Air Force reserve
 brigadier generals for consideration for promotion.”.

4 **SEC. 514. COMPOSITION OF SELECTIVE EARLY RETIRE-**
 5 **MENT BOARDS FOR REAR ADMIRALS OF THE**
 6 **NAVAL RESERVE AND MAJOR GENERALS OF**
 7 **THE MARINE CORPS RESERVE.**

8 Section 14705(b) of title 10, United States Code, is
 9 amended—

10 (1) by inserting “(1)” after “(b) BOARDS.—”;

11 and

12 (2) by adding at the end the following:

13 “(2) In the case of a board convened to consider the
 14 early retirement of officers in the grade of rear admiral
 15 in the Naval Reserve or major general in the Marine Corps
 16 Reserve, the Secretary of the Navy may prescribe the com-
 17 position of the board notwithstanding section 14102(b) of
 18 this title. In doing so, however, the Secretary shall ensure
 19 that each regular commissioned officer of the Navy or the
 20 Marine Corps appointed to the board holds a permanent
 21 grade higher than the grade of the officers under consider-
 22 ation by the board and that at least one member of the
 23 board is a reserve officer who holds the grade of rear ad-
 24 miral or major general.”.

1 **SEC. 515. USE OF RESERVES FOR EMERGENCIES INVOLV-**
 2 **ING WEAPONS OF MASS DESTRUCTION.**

3 (a) ORDER TO ACTIVE DUTY.—(1) Section 12304 of
 4 title 10, United States Code, is amended—

5 (A) in subsection (a), by inserting “or is nec-
 6 essary to provide assistance referred to in subsection
 7 (b)” after “to augment the active forces for any
 8 operational mission”.

9 (B) in subsection (b)—

10 (i) by striking out “(b)” and inserting in
 11 lieu thereof “(c) LIMITATIONS.—(1)”; and

12 (ii) by striking out “, or to provide” and
 13 inserting in lieu thereof “or, except as provided
 14 in subsection (b), to provide”;

15 (C) by redesignating subsection (c) as para-
 16 graph (2); and

17 (D) by inserting after subsection (a) the follow-
 18 ing new subsection (b):

19 “(b) SUPPORT FOR RESPONSES TO CERTAIN EMER-
 20 GENCIES.—The authority under subsection (a) includes
 21 authority to order a unit or member to active duty to pro-
 22 vide assistance in responding to an emergency involving
 23 a use or threatened use of a weapon of mass destruction.”.

24 (2) Subsection (i) of such section is amended to read
 25 as follows:

26 “(i) DEFINITIONS.—For purposes of this section:

1 “(1) The term ‘Individual Ready Reserve mobi-
 2 lization category’ means, in the case of any reserve
 3 component, the category of the Individual Ready Re-
 4 serve described in section 10144(b) of this title.

5 “(2) The term ‘weapon of mass destruction’ has
 6 the meaning given such term in section 1402 of the
 7 Defense Against Weapons of Mass Destruction Act
 8 of 1996 (50 U.S.C. 2302(1)).”.

9 (3) Such section is further amended—

10 (A) in subsection (a), by inserting “AUTHOR-
 11 ITY.—” after “(a)”;

12 (B) in subsection (d), by inserting “EXCLUSION
 13 FROM STRENGTH LIMITATIONS.—” after “(d)”;

14 (C) in subsection (e), by inserting “POLICIES
 15 AND PROCEDURES.—” after “(e)”;

16 (D) in subsection (f), by inserting “NOTIFICA-
 17 TION OF CONGRESS.—” after “(f)”;

18 (E) in subsection (g), by inserting “TERMI-
 19 NATION OF DUTY.—” after “(g)”; and

20 (F) in subsection (h), by inserting “RELATION-
 21 SHIP TO WAR POWERS RESOLUTION.—” after
 22 “(h)”.

23 (b) USE OF ACTIVE GUARD AND RESERVE PERSON-
 24 NEL.—Section 12310 of title 10, United States Code, is
 25 amended by adding at the end the following:

1 “(c)(1) A Reserve on active duty as described in sub-
 2 section (a), or a Reserve who is a member of the National
 3 Guard serving on full-time National Guard duty under
 4 section 502(f) of title 32 in connection with functions re-
 5 ferred to in subsection (a), may perform any duties in sup-
 6 port of emergency preparedness programs to prepare for
 7 or to respond to any emergency involving the use of a
 8 weapon of mass destruction (as defined in section 1402
 9 of the Defense Against Weapons of Mass Destruction Act
 10 of 1996 (50 U.S.C. 2302(1))).

11 “(2) The costs of the pay, allowances, clothing, sub-
 12 sistence, gratuities, travel, and related expenses for a Re-
 13 serve performing duties under the authority of paragraph
 14 (1) shall be paid from the appropriation that is available
 15 to pay such costs for other members of the reserve compo-
 16 nent of that Reserve who are performing duties as de-
 17 scribed in subsection (a).”.

18 **Subtitle C—Other Matters**

19 **SEC. 521. ANNUAL MANPOWER REQUIREMENTS REPORT.**

20 Section 115a(a) of title 10, United States Code, is
 21 amended by striking out the first sentence and inserting
 22 in lieu thereof the following: “The Secretary of Defense
 23 shall submit an annual manpower requirements report to
 24 Congress each year, not later than 45 days after the date

1 on which the President submits the budget for the next
 2 fiscal year to Congress under section 1105(a) of title 31.”.

3 **SEC. 522. FOUR-YEAR EXTENSION OF CERTAIN FORCE RE-**
 4 **DUCTION TRANSITION PERIOD MANAGEMENT**
 5 **AND BENEFITS AUTHORITIES.**

6 (a) ACTIVE FORCE EARLY RETIREMENT.—Section
 7 4403(i) of the National Defense Authorization Act for Fis-
 8 cal Year 1993 (10 U.S.C. 1293 note) is amended by strik-
 9 ing out “October 1, 1999” and inserting in lieu thereof
 10 “October 1, 2003”.

11 (b) SPECIAL SEPARATION BENEFITS PROGRAM.—
 12 Section 1174a(h) of title 10, United States Code, is
 13 amended by striking out “September 30, 1999” and in-
 14 serting in lieu thereof “September 30, 2003”.

15 (c) VOLUNTARY SEPARATION INCENTIVE.—Section
 16 1175(d)(3) of such title is amended by striking out “Sep-
 17 tember 30, 1999” and inserting in lieu thereof “Septem-
 18 ber 30, 2003”.

19 (d) SELECTIVE EARLY RETIREMENT BOARDS.—Sec-
 20 tion 638a(a) of such title, is amended by striking out
 21 “nine-year period” and inserting in lieu thereof “13-year
 22 period”.

23 (e) RETIRED GRADE.—Section 1370(a)(2)(A) of such
 24 title is amended by striking out “nine-year period” and
 25 inserting in lieu thereof “13-year period”.

1 (f) MINIMUM COMMISSIONED SERVICE FOR VOL-
 2 UNTARY RETIREMENT.—Sections 3911(b), 6323(a)(2),
 3 and 8911(b) of such title are amended by striking out
 4 “nine-year period” and inserting in lieu thereof “13-year
 5 period”.

6 (g) TRAVEL, TRANSPORTATION, AND STORAGE BEN-
 7 EFITS.—(1) Subsections (c)(1)(C) and (f)(2)(B)(v) of sec-
 8 tion 404 of title 37, United States Code, and subsections
 9 (a)(2)(B)(v) and (g)(1)(C) of section 406 of such title are
 10 amended by striking out “nine-year period” and inserting
 11 in lieu thereof “13-year period”.

12 (2) Section 503(c)(1) of the National Defense Au-
 13 thorization Act for Fiscal Year 1991 (37 U.S.C. 406 note)
 14 is amended by striking out “nine-year period” and insert-
 15 ing in lieu thereof “13-year period”.

16 (h) EDUCATIONAL LEAVE FOR PUBLIC AND COMMU-
 17 NITY SERVICE.—Section 4463(f) of the National Defense
 18 Authorization Act for Fiscal Year 1993 (10 U.S.C. 1143a
 19 note) is amended by striking out “September 30, 1999”
 20 and inserting in lieu thereof “September 30, 2003”.

21 (i) HEALTH BENEFITS.—Section 1145 of title 10,
 22 United States Code, is amended—

23 (1) in subsections (a)(1) and (c)(1), by striking
 24 out “nine-year period” and inserting in lieu thereof
 25 “13-year period”; and

1 (2) in subsection (e), by striking out “five-year
2 period” and inserting in lieu thereof “nine-year pe-
3 riod”.

4 (j) COMMISSARY AND EXCHANGE BENEFITS.—Sec-
5 tion 1146 of such title is amended—

6 (1) by striking out “nine-year period” in the
7 first sentence and inserting in lieu thereof “13-year
8 period”; and

9 (2) by striking out “five-year period” in the
10 second sentence and inserting in lieu thereof “nine-
11 year period”.

12 (k) USE OF MILITARY HOUSING.—Section 1147(a)
13 of such title 10 is amended—

14 (1) in paragraph (1), by striking out “nine-year
15 period” and inserting in lieu thereof “13-year pe-
16 riod”; and

17 (2) in paragraph (2), by striking out “five-year
18 period” and inserting in lieu thereof “nine-year pe-
19 riod”.

20 (l) CONTINUED ENROLLMENT OF DEPENDENTS IN
21 DEFENSE DEPENDENTS’ EDUCATION SYSTEM.—Section
22 1407(c)(1) of the Defense Dependents’ Education Act of
23 1978 (20 U.S.C. 926(c)(1)) is amended by striking out
24 “nine-year period” and inserting in lieu thereof “13-year
25 period”.

1 (m) GUARD AND RESERVE TRANSITION INITIA-
 2 TIVES.—Title XLIV of the National Defense Authoriza-
 3 tion Act for Fiscal Year 1993 (10 U.S.C. 12681 note) is
 4 amended—

5 (1) in section 4411, by striking out “September
 6 30, 1999” and inserting in lieu thereof “September
 7 30, 2003”; and

8 (2) in section 4416(b)(1), by striking out “Oc-
 9 tober 1, 1999” and inserting in lieu thereof “Octo-
 10 ber 1, 2003”.

11 (n) RETIRED PAY FOR NONREGULAR SERVICE-AGE
 12 AND SERVICE REQUIREMENTS.—(1) Section 12731(f) of
 13 title 10, United States Code, is amended by striking out
 14 “September 30, 1999” and inserting in lieu thereof “Sep-
 15 tember 30, 2003”.

16 (2) Subsections (a)(1)(B) and (b) of section 12731a
 17 of such title are amended by striking out “October 1,
 18 1999” and inserting in lieu thereof “October 1, 2003”.

19 (o) REDUCTION OF TIME-IN-GRADE REQUIREMENT
 20 FOR RETENTION OF GRADE UPON VOLUNTARY RETIRE-
 21 MENT.—Section 1370(d) of such title is amended by add-
 22 ing at the end the following new paragraph:

23 “(5) The Secretary of Defense may authorize the
 24 Secretary of a military department to reduce the three-
 25 year period required by paragraph (3)(A) to a period not

1 less than two years in the case of retirements effective
 2 during the period beginning on the date of the enactment
 3 of the National Defense Authorization Act for Fiscal Year
 4 1999 and ending September 30, 2003. The number of the
 5 reserved commissioned officers of an armed force in the
 6 same grade for whom a reduction is made during any fis-
 7 cal year in the period of service-in-grade otherwise re-
 8 quired under this paragraph may not exceed the number
 9 equal to two percent of the strength authorized for that
 10 fiscal year for reserve commissioned officers of that armed
 11 force in an active status in that grade.”.

12 (p) AFFILIATION WITH GUARD AND RESERVE
 13 UNITS; WAIVER OF CERTAIN LIMITATIONS.—Section
 14 1150(a) of such title is amended by striking out “nine-
 15 year period” and inserting in lieu thereof “13-year pe-
 16 riod”.

17 (q) TIME FOR USE OF MONTGOMERY G.I. BILL EN-
 18 TITLEMENT.—Section 16133(b)(1)(B) of such title is
 19 amended by striking out “September 30, 1999” and in-
 20 serting in lieu thereof “September 30, 2003”.

1 **SEC. 523. CONTINUATION OF ELIGIBILITY FOR VOL-**
 2 **UNTARY SEPARATION INCENTIVE AFTER IN-**
 3 **VOLUNTARY LOSS OF MEMBERSHIP IN**
 4 **READY OR STANDBY RESERVE.**

5 (a) PERIOD OF ELIGIBILITY.—Subsection (a) of sec-
 6 tion 1175 of title 10, United States Code, is amended—

7 (1) by inserting “(1)” after “(a)”;

8 (2) by striking out “, for the period of time the
 9 member is serving in a reserve component”; and

10 (3) by adding at the end the following:

11 “(2)(A) Except as provided in subparagraph (B), a
 12 financial incentive provided a member under this section
 13 shall be paid for the period equal to twice the number of
 14 years of service of the member, computed as provided in
 15 subsection (e)(5).

16 “(B) If, before the expiration of the period otherwise
 17 applicable under subparagraph (A) to a member receiving
 18 a financial incentive under this section, the member is sep-
 19 arated from a reserve component or is transferred to the
 20 Retired Reserve, the period for payment of a financial in-
 21 centive to the member under this section shall terminate
 22 on the date of the separation or transfer unless—

23 “(i) the separation or transfer is required by
 24 reason of the age or number of years of service of
 25 the member;

1 “(ii) the separation or transfer is required by
 2 reason of the failure of selection for promotion or
 3 the medical disqualification of the member, except in
 4 a case in which the Secretary of Defense or the Sec-
 5 retary of Transportation determines that the basis
 6 for the separation or transfer is a result of a delib-
 7 erate action taken by the member with the intent to
 8 avoid retention in the Ready Reserve or Standby Re-
 9 serve; or

10 “(iii) in the case of a separation, the member
 11 is separated from the reserve component for appoint-
 12 ment or enlistment in or transfer to another reserve
 13 component of an armed force for service in the
 14 Ready Reserve or Standby Reserve of that armed
 15 force.”.

16 (b) REPEAL OF SUPERSEDED PROVISION.—Sub-
 17 section (e)(1) of such section is amended by striking out
 18 the second sentence.

19 **SEC. 524. REPEAL OF LIMITATIONS ON AUTHORITY TO SET**
 20 **RATES AND WAIVE REQUIREMENT FOR REIM-**
 21 **BURSEMENT OF EXPENSES INCURRED FOR**
 22 **INSTRUCTION AT SERVICE ACADEMIES OF**
 23 **PERSONS FROM FOREIGN COUNTRIES.**

24 (a) UNITED STATES MILITARY ACADEMY.—Section
 25 4344(b) of title 10, United States Code, is amended—

1 (1) in the second sentence of paragraph (2), by
2 striking out “, except that the reimbursement rates
3 may not be less than the cost to the United States
4 of providing such instruction, including pay, allow-
5 ances, and emoluments, to a cadet appointed from
6 the United States”; and

7 (2) by striking out paragraph (3).

8 (b) NAVAL ACADEMY.—Section 6957(b) of such title
9 is amended—

10 (1) in the second sentence of paragraph (2), by
11 striking out “, except that the reimbursement rates
12 may not be less than the cost to the United States
13 of providing such instruction, including pay, allow-
14 ances, and emoluments, to a midshipman appointed
15 from the United States”; and

16 (2) by striking out paragraph (3).

17 (c) AIR FORCE ACADEMY.—Section 9344(b) of such
18 title is amended—

19 (1) in the second sentence of paragraph (2), by
20 striking out “, except that the reimbursement rates
21 may not be less than the cost to the United States
22 of providing such instruction, including pay, allow-
23 ances, and emoluments, to a cadet appointed from
24 the United States”; and

25 (2) by striking out paragraph (3).

1 **SEC. 525. REPEAL OF RESTRICTION ON CIVILIAN EMPLOY-**
 2 **MENT OF ENLISTED MEMBERS.**

3 (a) REPEAL.—Section 974 of title 10, United States
 4 Code, is repealed.

5 (b) CLERICAL AMENDMENT.—The table of sections
 6 at the beginning of chapter 49 of such title is amended
 7 by striking out the item relating to section 974.

8 **SEC. 526. EXTENSION OF REPORTING DATES FOR COMMIS-**
 9 **SION ON MILITARY TRAINING AND GENDER-**
 10 **RELATED ISSUES.**

11 (a) INTERIM REPORT.—Subsection (e)(1) of section
 12 562 of the National Defense Authorization Act for Fiscal
 13 Year 1998 (Public Law 105–85; 111 Stat. 1754; 10
 14 U.S.C. 113 note) is amended by striking out “April 15,
 15 1998” and inserting in lieu thereof “October 15, 1998”.

16 (b) FINAL REPORT.—Subsection (e)(2) of such sec-
 17 tion is amended by striking out “September 16, 1998”
 18 and inserting in lieu thereof “March 15, 1999”.

19 **SEC. 527. MORATORIUM ON CHANGES OF GENDER-RELAT-**
 20 **ED POLICIES AND PRACTICES PENDING COM-**
 21 **PLETION OF THE WORK OF THE COMMISSION**
 22 **ON MILITARY TRAINING AND GENDER-RELAT-**
 23 **ED ISSUES.**

24 Notwithstanding any other provision of law, no offi-
 25 cial of the Department of Defense may implement any
 26 change of policy or official practice in the department re-

1 guarding separation or integration of members of the
 2 Armed Forces on the basis of gender that is within the
 3 responsibility of the Commission on Military Training and
 4 Gender-Related Issues to review under subtitle F of title
 5 V of the National Defense Authorization Act for Fiscal
 6 Year 1998 (Public Law 105–85; 111 Stat. 1750), before
 7 the date on which the commission terminates under sec-
 8 tion 564 of such Act.

9 **SEC. 528. TRANSITIONAL COMPENSATION FOR ABUSED**
 10 **DEPENDENT CHILDREN NOT RESIDING WITH**
 11 **THE SPOUSE OR FORMER SPOUSE OF A MEM-**
 12 **BER CONVICTED OF DEPENDENT ABUSE.**

13 (a) ENTITLEMENT NOT CONDITIONED ON FORFEIT-
 14 URE OF SPOUSAL COMPENSATION.—Subsection (d) of sec-
 15 tion 1059 of title 10, United States Code, is amended—

16 (1) by striking out paragraph (1) and inserting
 17 in lieu thereof the following:

18 “(1) If the individual was married at the time
 19 of the commission of the dependent-abuse offense re-
 20 sulting in the separation, the spouse or former
 21 spouse to whom the individual was married at that
 22 time shall be paid such compensation, including an
 23 amount (determined under subsection (f)(2)) for
 24 each, if any, dependent child of the individual de-

1 scribed in subsection (b) who resides in the same
2 household as that spouse or former spouse.”;

3 (2) in paragraph (2)—

4 (A) by striking out “(but for subsection
5 (g)) would be eligible” and inserting in lieu
6 thereof “is or, but for subsection (g), would be
7 eligible”; and

8 (B) by striking out “such compensation”
9 and inserting in lieu thereof “compensation
10 under this section”; and

11 (3) in paragraph (4), by striking out “For pur-
12 poses of paragraphs (2) and (3)” and inserting in
13 lieu thereof “For purposes of this subsection”.

14 (b) AMOUNT OF PAYMENT.—Subsection (f)(2) of
15 such section is amended by striking out “has custody of
16 a dependent child or children of the member” and insert-
17 ing in lieu thereof “has custody of a dependent child of
18 the member who resides in the same household as that
19 spouse or former spouse”.

20 (c) PROSPECTIVE APPLICABILITY.—No benefits shall
21 accrue by reason of the amendments made by this section
22 for any month that begins before the date of the enact-
23 ment of this Act.

1 **SEC. 529. PILOT PROGRAM FOR TREATING GED RECIPI-**
2 **ENTS AS HIGH SCHOOL GRADUATES FOR DE-**
3 **TERMINATIONS OF ELIGIBILITY FOR ENLIST-**
4 **ING IN THE ARMED FORCES.**

5 (a) PROGRAM REQUIRED.—The Secretary of Defense
6 shall establish a pilot program to assess whether the
7 Armed Forces could better meet recruiting requirements
8 by treating GED recipients as having graduated from high
9 school with a high school diploma for the purpose of deter-
10 mining the eligibility of those persons to enlist in the
11 Armed Forces. The Secretary of each military department
12 shall administer the pilot program for the armed force or
13 armed forces under the jurisdiction of the Secretary.

14 (b) ELIGIBLE GED RECIPIENTS.—(1) Under the
15 pilot program, a person shall be treated as having grad-
16 uated from high school with a high school diploma for the
17 purpose described in subsection (a) if the person—

18 (A) has completed a general education develop-
19 ment program while participating in the National
20 Guard Challenge Program; and

21 (B) is a GED recipient.

22 (2) For the purposes of this section, a person is a
23 GED recipient if the person, after completing a general
24 education development program, has obtained certification
25 of high school equivalency by meeting State requirements
26 and passing a State approved exam that is administered

1 for the purpose of providing an appraisal of the person's
2 achievement or performance in the broad subject matter
3 areas usually required for high school graduates.

4 (c) ANNUAL LIMIT ON NUMBER.—Not more than
5 1,250 persons enlisted by an armed force in any fiscal year
6 may be treated under the pilot program as having grad-
7 uated from high school with a high school diploma.

8 (d) PERIOD FOR PILOT PROGRAM.—The pilot pro-
9 gram shall be in effect for five fiscal years beginning on
10 October 1, 1998.

11 (e) REPORT.—(1) Not later than February 1, 2004,
12 the Secretary of Defense shall submit a report on the pilot
13 program to the Committee on Armed Services of the Sen-
14 ate and the Committee on National Security of the House
15 of Representatives.

16 (2)(A) The report shall include the assessment of the
17 Secretary of Defense, and any assessment of any of the
18 Secretaries of the military departments, regarding the
19 value of, and any necessity for, authority to treat GED
20 recipients as having graduated from high school with a
21 high school diploma for the purpose of determining the
22 eligibility of those persons to enlist in the Armed Forces.

23 (B) The Secretary shall also set forth in the report,
24 by armed force for each fiscal year of the pilot program,
25 a comparison of the performance of the persons who en-

1 listed in that armed force during the fiscal year as GED
 2 recipients treated under the pilot program as having grad-
 3 uated from high school with a high school diploma with
 4 the performance of the persons who enlisted in that armed
 5 force during the same fiscal year after having graduated
 6 from high school with a high school diploma, with respect
 7 to the following:

8 (i) Attrition.

9 (ii) Discipline.

10 (iii) Adaptability to military life.

11 (iv) Aptitude for mastering the skills necessary
 12 for technical specialties.

13 (v) Reenlistment rates.

14 (f) REFERENCE TO NATIONAL GUARD CHALLENGE
 15 PROGRAM.—The National Guard Challenge Program re-
 16 ferred to in this section is a program conducted under sec-
 17 tion 509 of title 32, United States Code.

18 (g) STATE DEFINED.—In this section, the term
 19 “State” has the meaning given that term in section
 20 509(l)(1) of title 32, United States Code.

21 **SEC. 530. WAIVER OF TIME LIMITATIONS FOR AWARD OF**
 22 **DISTINGUISHED FLYING CROSS IN CERTAIN**
 23 **CASES.**

24 (a) WAIVER.—Any limitation established by law or
 25 policy for the time within which a recommendation for the

1 award of a military decoration or award must be submit-
2 ted shall not apply to awards of the Distinguished Flying
3 Cross for service described in subsection (b).

4 (b) APPLICABILITY OF WAIVER.—Subsection (a) ap-
5 plies to award of the Distinguished Flying Cross for serv-
6 ice during World War II or Korea (including multiple
7 awards to the same individual) in the case of each individ-
8 ual (not covered by section 573(d) of the National Defense
9 Authorization Act for Fiscal Year 1998 (Public Law 105–
10 85; 111 Stat. 1757)) concerning whom the Secretary of
11 the Navy (or an officer of the Navy acting on behalf of
12 the Secretary) submitted to the Committee on National
13 Security of the House of Representatives and the Commit-
14 tee on Armed Services of the Senate, before the date of
15 the enactment of this Act, a notice as provided in section
16 1130(b) of title 10, United States Code, that the award
17 of the Distinguished Flying Cross to that individual is
18 warranted and that a waiver of time restrictions pre-
19 scribed by law for recommendation for such award is rec-
20 ommended.

1 **TITLE VI—COMPENSATION AND**
2 **OTHER PERSONNEL BENEFITS**
3 **Subtitle A—Pay and Allowances**

4 **SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 1999.**

5 (a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any
6 adjustment required by section 1009 of title 37, United
7 States Code, in the rates of monthly basic pay authorized
8 members of the uniformed services by section 203(a) of
9 such title to become effective during fiscal year 1999 shall
10 not be made.

11 (b) INCREASE IN BASIC PAY.—Effective on January
12 1, 1999, the rates of basic pay of members of the uni-
13 formed services are increased by 3.1 percent.

14 **SEC. 602. RATE OF PAY FOR CADETS AND MIDSHIPMEN AT**
15 **THE SERVICE ACADEMIES.**

16 (a) INCREASED RATE.—Section 203(c) of title 37,
17 United States Code, is amended by striking out “\$558.04”
18 and inserting in lieu thereof “\$600.00”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 subsection (a) shall take effect on January 1, 1999.

21 **SEC. 603. PAYMENTS FOR MOVEMENTS OF HOUSEHOLD**
22 **GOODS ARRANGED BY MEMBERS.**

23 (a) MONETARY ALLOWANCE AUTHORIZED.—Sub-
24 section (b)(1) of section 406 of title 37, United States
25 Code, is amended—

1 (1) in subparagraph (A)—

2 (A) by striking out “, or reimbursement
3 therefor,”; and

4 (B) by inserting after the second sentence
5 the following: “Alternatively, a member may be
6 paid reimbursement or a monetary allowance
7 under subparagraph (F).”; and

8 (2) by adding at the end the following:

9 “(F) A member entitled to transportation of baggage
10 and household effects under subparagraph (A) may, as an
11 alternative to the provision of transportation, be paid re-
12 imbursement or, at the member’s request, a monetary al-
13 lowance in advance for the cost of transportation of the
14 baggage and household effects. The monetary allowance
15 may be paid only if the amount of the allowance does not
16 exceed the cost that would be incurred by the Government
17 under subparagraph (A) for the transportation of the bag-
18 gage and household effects. Appropriations available to
19 the Department of Defense, the Department of Transpor-
20 tation, and the Department of Health and Human Serv-
21 ices for providing transportation of baggage or household
22 effects of members of the uniformed services shall be avail-
23 able to pay a reimbursement or monetary allowance under
24 this subparagraph. The Secretary concerned may pre-
25 scribe the manner in which the risk of liability for damage,

1 destruction, or loss of baggage or household effects ar-
 2 ranged, packed, crated, or loaded by a member is allocated
 3 among the member, the United States, and any contractor
 4 when a reimbursement or monetary allowance is elected
 5 under this subparagraph.”.

6 (b) REPEAL OF SUPERSEDED PROVISION.—Such sec-
 7 tion is further amended by striking out subsection (j).

8 **SEC. 604. LEAVE WITHOUT PAY FOR SUSPENDED ACADEMY**
 9 **CADETS AND MIDSHIPMEN.**

10 (a) AUTHORITY.—Section 702 of title 10, United
 11 States Code, is amended—

12 (1) by designating the second sentence of sub-
 13 section (b) as subsection (d);

14 (2) by redesignating subsection (b) as sub-
 15 section (c); and

16 (3) by inserting after subsection (a) the follow-
 17 ing new subsection (b):

18 “(b) LEAVE WITHOUT PAY.—(1) Under regulations
 19 prescribed under subsection (d), the Superintendent of the
 20 United States Military Academy, the United States Naval
 21 Academy, the United States Air Force Academy, or the
 22 United States Coast Guard Academy may order a cadet
 23 or midshipman of the Academy to be placed on leave invol-
 24 untarily for any period during which the cadet or mid-
 25 shipman is suspended from duty at the Academy—

1 “(A) pending separation from the Academy;

2 “(B) pending return to the Academy to repeat
3 an academic semester or year; or

4 “(C) for other good cause.

5 “(2) A cadet or midshipman placed on involuntary
6 leave under paragraph (1) is not entitled to any pay under
7 section 230(c) of title 37 for the period of the leave.

8 “(3) A return of a cadet or midshipman to a pay sta-
9 tus at the Academy from an involuntary leave status under
10 paragraph (1) does not restore any entitlement of the
11 cadet or midshipman to pay for the period of the involun-
12 tary leave.”.

13 (b) SUBSECTION HEADINGS.—Such section, as
14 amended by subsection (a), is further amended—

15 (1) in subsection (a), by inserting “GRADUA-
16 TION LEAVE.—” after “(a)”;

17 (2) in subsection (c), by inserting “INAPPLICA-
18 BLE LEAVE PROVISIONS.—” after “(c)”; and

19 (3) in subsection (d), by inserting “REGULA-
20 TIONS.—” after “(d)”.

1 **Subtitle B—Bonuses and Special**
2 **and Incentive Pays**

3 **SEC. 611. THREE-MONTH EXTENSION OF CERTAIN BO-**
4 **NUSES AND SPECIAL PAY AUTHORITIES FOR**
5 **RESERVE FORCES.**

6 (a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN
7 CRITICALLY SHORT WARTIME SPECIALTIES.—Section
8 302g(f) of title 37, United States Code, is amended by
9 striking out “September 30, 1999” and inserting in lieu
10 thereof “December 31, 1999”.

11 (b) SELECTED RESERVE REENLISTMENT BONUS.—
12 Section 308b(f) of title 37, United States Code, is amend-
13 ed by striking out “September 30, 1999” and inserting
14 in lieu thereof “December 31, 1999”.

15 (c) SELECTED RESERVE ENLISTMENT BONUS.—Sec-
16 tion 308c(e) of title 37, United States Code, is amended
17 by striking out “September 30, 1999” and inserting in
18 lieu thereof “December 31, 1999”.

19 (d) SPECIAL PAY FOR ENLISTED MEMBERS AS-
20 SIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section
21 308d(c) of title 37, United States Code, is amended by
22 striking out “September 30, 1999” and inserting in lieu
23 thereof “December 31, 1999”.

24 (e) SELECTED RESERVE AFFILIATION BONUS.—Sec-
25 tion 308e(e) of title 37, United States Code, is amended

1 by striking out “September 30, 1999” and inserting in
 2 lieu thereof “December 31, 1999”.

3 (f) READY RESERVE ENLISTMENT AND REENLIST-
 4 MENT BONUS.—Section 308h(g) of title 37, United States
 5 Code, is amended by striking out “September 30, 1999”
 6 and inserting in lieu thereof “December 31, 1999”.

7 (g) PRIOR SERVICE ENLISTMENT BONUS.—Section
 8 308i(f) of title 37, United States Code, as redesignated
 9 by section 622, is amended by striking out “September
 10 30, 1999” and inserting in lieu thereof “December 31,
 11 1999”.

12 (h) REPAYMENT OF EDUCATION LOANS FOR CER-
 13 TAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-
 14 LECTED RESERVE.—Section 16302(d) of title 10, United
 15 States Code, is amended by striking out “October 1,
 16 1999” and inserting in lieu thereof “January 1, 2000”.

17 **SEC. 612. THREE-MONTH EXTENSION OF CERTAIN BO-**
 18 **NUSES AND SPECIAL PAY AUTHORITIES FOR**
 19 **NURSE OFFICER CANDIDATES, REGISTERED**
 20 **NURSES, AND NURSE ANESTHETISTS.**

21 (a) NURSE OFFICER CANDIDATE ACCESSION PRO-
 22 GRAM.—Section 2130a(a)(1) of title 10, United States
 23 Code, is amended by striking out “September 30, 1999”
 24 and inserting in lieu thereof “December 31, 1999”.

1 (b) ACCESSION BONUS FOR REGISTERED NURSES.—
 2 Section 302d(a)(1) of title 37, United States Code, is
 3 amended by striking out “September 30, 1999” and in-
 4 serting in lieu thereof “December 31, 1999”.

5 (c) INCENTIVE SPECIAL PAY FOR NURSE ANES-
 6 THETISTS.—Section 302e(a)(1) of title 37, United States
 7 Code, is amended by striking out “September 30, 1999”
 8 and inserting in lieu thereof “December 31, 1999”.

9 **SEC. 613. THREE-MONTH EXTENSION OF AUTHORITIES RE-**
 10 **LATING TO PAYMENT OF OTHER BONUSES**
 11 **AND SPECIAL PAYS.**

12 (a) AVIATION OFFICER RETENTION BONUS.—Sec-
 13 tion 301b(a) of title 37, United States Code, is amended
 14 by striking out “September 30, 1999,” and inserting in
 15 lieu thereof “December 31, 1999,”.

16 (b) REENLISTMENT BONUS FOR ACTIVE MEM-
 17 BERS.—Section 308(g) of title 37, United States Code, is
 18 amended by striking out “September 30, 1999” and in-
 19 serting in lieu thereof “December 31, 1999”.

20 (c) ENLISTMENT BONUSES FOR MEMBERS WITH
 21 CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of title
 22 37, United States Code, are each amended by striking out
 23 “September 30, 1999” and inserting in lieu thereof “De-
 24 cember 31, 1999”.

1 (d) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFI-
 2 CERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section
 3 312(e) of title 37, United States Code, is amended by
 4 striking out “September 30, 1999” and inserting in lieu
 5 thereof “December 31, 1999”.

6 (e) NUCLEAR CAREER ACCESSION BONUS.—Section
 7 312b(c) of title 37, United States Code, is amended by
 8 striking out “September 30, 1999” and inserting in lieu
 9 thereof “December 31, 1999”.

10 (f) NUCLEAR CAREER ANNUAL INCENTIVE
 11 BONUS.—Section 312c(d) of title 37, United States Code,
 12 is amended by striking out “October 1, 1999” and insert-
 13 ing in lieu thereof “October 1, 1998, and the 15-month
 14 period beginning on that date and ending on December
 15 31, 1999”.

16 **SEC. 614. ELIGIBILITY OF RESERVES FOR SELECTIVE RE-**
 17 **ENLISTMENT BONUS WHEN REENLISTING OR**
 18 **EXTENDING TO PERFORM ACTIVE GUARD**
 19 **AND RESERVE DUTY.**

20 Section 308(a)(1)(D) of title 37, United States Code,
 21 is amended by inserting after “a regular component of the
 22 service concerned” the following: “, or in a reserve compo-
 23 nent of the service concerned in the case of a member re-
 24 enlisting or extending to perform active Guard and Re-
 25 serve duty (as defined in section 101(d)(6) of title 10),”.

1 **SEC. 615. REPEAL OF TEN-PERCENT LIMITATION ON PAY-**
 2 **MENTS OF SELECTIVE REENLISTMENT BO-**
 3 **NUSES IN EXCESS OF \$20,000.**

4 Section 308(b) of title 37, United States Code, is
 5 amended—

6 (1) by striking out paragraph (2); and

7 (2) in paragraph (1), by striking out “(1)”.

8 **SEC. 616. INCREASE OF MAXIMUM AMOUNT AUTHORIZED**
 9 **FOR ARMY ENLISTMENT BONUS.**

10 Section 308f(a) of title 37, United States Code, is
 11 amended by striking out “\$4,000” and inserting in lieu
 12 thereof “\$6,000”.

13 **SEC. 617. EDUCATION LOAN REPAYMENT PROGRAM FOR**
 14 **HEALTH PROFESSIONS OFFICERS SERVING**
 15 **IN SELECTED RESERVE.**

16 (a) **ELIGIBLE PERSONS.**—Subsection (b)(2) of sec-
 17 tion 16302 of title 10, United States Code, is amended
 18 by inserting “, or is enrolled in a program of education
 19 leading to professional qualifications,” after “possesses
 20 professional qualifications”.

21 (b) **INCREASED BENEFITS.**—Subsection (c) of such
 22 section is amended—

23 (1) in paragraph (2), by striking out “\$3,000”
 24 and inserting in lieu thereof “\$20,000”; and

25 (2) in paragraph (3), by striking out “\$20,000”
 26 and inserting in lieu thereof “\$50,000”.

1 **SEC. 618. INCREASE IN AMOUNT OF BASIC EDUCATIONAL**
 2 **ASSISTANCE UNDER ALL-VOLUNTEER FORCE**
 3 **PROGRAM FOR PERSONNEL WITH CRITI-**
 4 **CALLY SHORT SKILLS OR SPECIALTIES.**

5 Section 3015(d) of title 38, United States Code, is
 6 amended by striking out “\$700” and inserting in lieu
 7 thereof “\$950”.

8 **SEC. 619. RELATIONSHIP OF ENTITLEMENTS TO ENLIST-**
 9 **MENT BONUSES AND BENEFITS UNDER THE**
 10 **ALL-VOLUNTEER FORCE EDUCATIONAL AS-**
 11 **SISTANCE PROGRAM.**

12 (a) ENTITLEMENTS NOT EXCLUSIVE.—(1) Sub-
 13 chapter II of chapter 30 of title 38, United States Code,
 14 is amended by adding at the end the following:

15 **“§ 3019A. Relationship to entitlement to certain en-**
 16 **listment bonuses**

17 “The entitlement of an individual to benefits under
 18 this chapter is not affected by receipt by that individual
 19 of an enlistment bonus under section 308a or 308f of title
 20 37.”.

21 (2) The table of sections at the beginning of such
 22 chapter is amended by inserting after the item relating
 23 to section 3019 the following:

“3019A. Relationship to entitlement to certain enlistment bonuses.”.

1 (b) REPEAL OF RELATED LIMITATION.—Section
 2 8013(a) of Public Law 105–56 (111 Stat. 1222) is
 3 amended—

4 (1) by striking out “of this Act—” and all that
 5 follows through “nor shall any amounts” and insert-
 6 ing in lieu thereof “of this Act enlists in the armed
 7 services for a period of active duty of less than three
 8 years, nor shall any amounts”; and

9 (2) in the first proviso, by striking out “in the
 10 case of a member covered by clause (1),”.

11 **Subtitle C—Travel and** 12 **Transportation Allowances**

13 **SEC. 621. TRAVEL AND TRANSPORTATION FOR REST AND** 14 **RECUPERATION IN CONNECTION WITH CON-** 15 **TINGENCY OPERATIONS AND OTHER DUTY.**

16 Section 411c of title 37, United States Code, is
 17 amended—

18 (1) in subsection (a)—

19 (A) by redesignating paragraphs (1) and
 20 (2) as subparagraphs (A) and (B); and

21 (B) by inserting “IN GENERAL.—(1)”
 22 after “(a)”;

23 (2) in subsection (b), by striking out “(b) The
 24 transportation authorized by this section” and in-

1 serting in lieu thereof “(2) The transportation au-
2 thorized by paragraph (1)”; and

3 (3) by adding at the end the following:

4 “(b) CONTINGENCY OPERATIONS AND OTHER SPE-
5 CIAL SITUATIONS.—(1) Under uniform regulations pre-
6 scribed by the Secretaries concerned, a member of the
7 armed forces serving a tour of duty at a duty station, and
8 under conditions, described in paragraph (2) may be paid
9 for or provided transportation to a location described in
10 subsection (a)(1) as part of a program of rest and recuper-
11 ation specifically authorized for members of the armed
12 forces serving under those conditions at that duty station
13 by the Secretary concerned in advance of the commence-
14 ment of the member’s travel.

15 “(2) Paragraph (1) applies to a member of the armed
16 forces serving at a duty station outside the United States
17 if—

18 “(A) the member is participating in a contin-
19 gency operation at or from that duty station; or

20 “(B) the payment for or provision of transpor-
21 tation would be in the best interests of members of
22 the armed forces and the United States because of
23 unusual conditions at the duty station, as deter-
24 mined by the Secretary concerned.

1 “(3) Transportation may not be paid for or provided
2 to a member under this subsection for travel that begins—

3 “(A) more than 24 months after the commence-
4 ment of the tour of duty for which the transpor-
5 tation is authorized; or

6 “(B) after the tour of duty ends.

7 “(4) The transportation authorized by this subsection
8 is limited to one round-trip during any tour of at least
9 6, but less than 24, consecutive months.

10 “(5) Transportation paid for or provided to a member
11 under this subsection may not be counted as transpor-
12 tation for which the member is eligible under subsection
13 (a).”.

14 **SEC. 622. PAYMENT FOR TEMPORARY STORAGE OF BAG-**
15 **GAGE OF DEPENDENT STUDENT NOT TAKEN**
16 **ON ANNUAL TRIP TO OVERSEAS DUTY STA-**
17 **TION OF SPONSOR.**

18 Section 430(b) of title 37, United States Code, is
19 amended by striking out the second sentence and inserting
20 in lieu thereof the following: “The allowance authorized
21 by this section may be prescribed by the Secretaries con-
22 cerned as transportation in kind or reimbursement there-
23 for, including an amount for the temporary storage of any
24 baggage not taken with the child on the annual trip if de-
25 termined advantageous to the Government.”.

1 **SEC. 623. COMMERCIAL TRAVEL OF RESERVES AT FED-**
 2 **ERAL SUPPLY SCHEDULE RATES FOR AT-**
 3 **TENDANCE AT INACTIVE DUTY TRAINING AS-**
 4 **SEMBLIES.**

5 (a) **AUTHORITY.**—Chapter 1217 of title 10, United
 6 States Code is amended by adding at the end the follow-
 7 ing:

8 **“§ 12603. Commercial travel at Federal supply sched-**
 9 **ule rates for attendance at inactive duty**
 10 **training assemblies**

11 “(a) **FEDERAL SUPPLY SCHEDULE TRAVEL.**—Com-
 12 mercial travel under Federal supply schedules is author-
 13 ized for the travel of a Reserve to the location of inactive
 14 duty training to be performed by the Reserve or from that
 15 location upon completion of the training.

16 “(b) **REGULATIONS.**—The Secretary of Defense shall
 17 prescribe in regulations the requirements, conditions, and
 18 restrictions for travel under the authority of subsection (a)
 19 that the Secretary considers appropriate. The regulations
 20 shall include policies and procedures for preventing abuses
 21 of the travel authority.

22 “(c) **REIMBURSEMENT NOT AUTHORIZED.**—A Re-
 23 serve is not entitled to Government reimbursement for the
 24 cost of travel authorized under subsection (a).

25 “(d) **TREATMENT OF TRANSPORTATION AS USE BY**
 26 **MILITARY DEPARTMENTS.**—For the purposes of section

1 201(a) of the Federal Property and Administrative Serv-
 2 ices Act of 1949 (40 U.S.C. 481(a)), travel authorized
 3 under subsection (a) shall be treated as transportation for
 4 the use of a military department.”.

5 (b) CLERICAL AMENDMENT.—The table of sections
 6 at the beginning of such chapter is amended by adding
 7 at the end the following:

“12603. Commercial travel at Federal supply schedule rates for attendance at
 inactive duty training assemblies.”.

8 **Subtitle D—Retired Pay, Survivor** 9 **Benefits, and Related Matters**

10 **SEC. 631. PAID-UP COVERAGE UNDER SURVIVOR BENEFIT** 11 **PLAN.**

12 (a) PAID UP AT 30 YEARS OF SERVICE AND AGE
 13 70.—Section 1452 of title 10, United States Code, is
 14 amended by adding at the end the following new sub-
 15 section:

16 “(j) COVERAGE PAID UP AT 30 YEARS AND ATTAIN-
 17 MENT OF AGE 70.—(1) Coverage of a survivor of a mem-
 18 ber under the Plan shall be considered paid up as of the
 19 end of the later of—

20 “(A) the 360th month in which the member’s
 21 retired pay has been reduced under this section; or

22 “(B) the month in which the member attains
 23 70 years of age.

1 “(2) The retired pay of a member shall not be re-
 2 duced under this section to provide coverage of a survivor
 3 under the Plan after the month when the coverage is con-
 4 sidered paid up under paragraph (1).”.

5 (b) EFFECTIVE DATE.—Section 1452(j) of title 10,
 6 United States Code (as added by subsection (a)), shall
 7 take effect on October 1, 2003.

8 **SEC. 632. COURT-REQUIRED SURVIVOR BENEFIT PLAN**
 9 **COVERAGE EFFECTUATED THROUGH ELEC-**
 10 **TIONS AND DEEMED ELECTIONS.**

11 (a) ELIMINATION OF DISPARITY IN EFFECTIVE
 12 DATE PROVISIONS.—Section 1448(b)(3) of title 10,
 13 United States Code, is amended—

14 (1) in subparagraph (C)—

15 (A) by striking out the second sentence;

16 and

17 (B) by striking out “EFFECTIVE DATE,” in
 18 the heading; and

19 (2) by adding at the end the following:

20 “(E) EFFECTIVE DATE.—An election
 21 under this paragraph—

22 “(i) in the case of a person required
 23 (as described in section 1450(f)(3)(B) of
 24 this title) to make the election, is effective
 25 as of the first day of the first month which

1 begins after the date of the court order or
 2 filing that requires the election; and

3 “(ii) in all other cases, is effective as
 4 of the first day of the first calendar month
 5 following the month in which the election
 6 is received by the Secretary concerned.”.

7 (b) CONFORMITY BY CROSS REFERENCE.—Section
 8 1450(f)(3)(D) of such title is amended by striking out
 9 “the first day of the first month which begins after the
 10 date of the court order or filing involved” and inserting
 11 in lieu thereof “the day referred to in section
 12 1448(b)(3)(E)(i) of this title”.

13 **SEC. 633. RECOVERY, CARE, AND DISPOSITION OF RE-**
 14 **MAINS OF MEDICALLY RETIRED MEMBER**
 15 **WHO DIES DURING HOSPITALIZATION THAT**
 16 **BEGINS WHILE ON ACTIVE DUTY.**

17 (a) IN GENERAL.—Section 1481(a)(7) of title 10,
 18 United States Code, is amended to read as follows:

19 “(7) A person who—

20 “(A) dies as a retired member of an armed
 21 force under the Secretary’s jurisdiction during
 22 a continuous hospitalization of the member as
 23 a patient in a United States hospital that began
 24 while the member was on active duty for a pe-
 25 riod of more than 30 days; or

1 “(B) is not covered by subparagraph (A)
 2 and, while in a retired status by reason of eligi-
 3 bility to retire under chapter 61 of this title,
 4 dies during a continuous hospitalization of the
 5 person that began while the person was on ac-
 6 tive duty as a Regular of an armed force, or a
 7 member of an armed force without component,
 8 under the Secretary’s jurisdiction.”.

9 (b) EFFECTIVE DATE.—The amendment made by
 10 subsection (a) takes effect on the date of the enactment
 11 of this Act and applies with respect to deaths occurring
 12 on or after that date.

13 **Subtitle E—Other Matters**

14 **SEC. 641. DEFINITION OF POSSESSIONS OF THE UNITED** 15 **STATES FOR PAY AND ALLOWANCES PUR-** 16 **POSES.**

17 Section 101(2) of title 37, United States Code, is
 18 amended by striking out “the Canal Zone,”.

19 **SEC. 642. FEDERAL EMPLOYEES’ COMPENSATION COV-** 20 **ERAGE FOR STUDENTS PARTICIPATING IN** 21 **CERTAIN OFFICER CANDIDATE PROGRAMS.**

22 (a) PERIODS OF COVERAGE.—Subsection (a)(2) of
 23 section 8140 of title 5, United States Code, is amended
 24 to read as follows:

1 “(2) during the period of the member’s attend-
2 ance at training or a practice cruise under chapter
3 103 of title 10, beginning when the authorized travel
4 to the training or practice cruise begins and ending
5 when authorized travel from the training or practice
6 cruise ends.”.

7 (b) LINE OF DUTY.—Subsection (b) of such section
8 is amended to read as follows:

9 “(b) For the purpose of this section, an injury, dis-
10 ability, death, or illness of a member referred to in sub-
11 section (a) may be considered as incurred or contracted
12 in line of duty only if the injury, disability, or death is
13 incurred, or the illness is contracted, by the member dur-
14 ing a period described in that subsection. Subject to review
15 by the Secretary of Labor, the Secretary of the military
16 department concerned (under regulations prescribed by
17 that Secretary), shall determine whether an injury, dis-
18 ability, or death was incurred, or an illness was con-
19 tracted, by a member in line of duty.”.

20 (c) CLARIFICATION OF CASUALTIES COVERED.—
21 Subsection (a) of such section, as amended by subsection
22 (a) of this section, is further amended by inserting “, or
23 an illness contracted,” after “death incurred” in the mat-
24 ter preceding paragraph (1).

1 (d) EFFECTIVE DATE AND APPLICABILITY.—The
 2 amendments made by subsections (a) and (b) shall take
 3 effect on the date of the enactment of this Act and apply
 4 with respect to injuries, illnesses, disabilities, and deaths
 5 incurred or contracted on or after that date.

6 **SEC. 643. AUTHORITY TO PROVIDE FINANCIAL ASSIST-**
 7 **ANCE FOR EDUCATION OF CERTAIN DEFENSE**
 8 **DEPENDENTS OVERSEAS.**

9 Section 1407(b) of the Defense Dependents' Edu-
 10 cation Act of 1978 (20 U.S.C. 926(b)) is amended—

11 (1) by striking out “(b) Under such cir-
 12 cumstances as he may by regulation prescribe, the
 13 Secretary of Defense” and inserting in lieu thereof
 14 “(b) TUITION AND ASSISTANCE WHEN SCHOOLS
 15 UNAVAILABLE.—(1) Under such circumstances as
 16 the Secretary of Defense may prescribe in regula-
 17 tions, the Secretary”; and

18 (2) by adding at the end the following:

19 “(2)(A) The Secretary of Defense, and the Secretary
 20 of Transportation with respect to the Coast Guard when
 21 it is not operating as a service of the Navy, may provide
 22 financial assistance to sponsors of dependents in overseas
 23 areas where schools operated by the Secretary of Defense
 24 under subsection (a) are not reasonably available in order
 25 to assist the sponsors to defray the costs incurred by the

1 sponsors for the attendance of the dependents at schools
 2 in such areas other than schools operated by the Secretary
 3 of Defense.

4 “(B) The Secretary of Defense and the Secretary of
 5 Transportation shall each prescribe regulations relating to
 6 the availability of financial assistance under subparagraph
 7 (A). Such regulations shall, to the maximum extent prac-
 8 ticable, be consistent with Department of State regula-
 9 tions relating to the availability of financial assistance for
 10 the education of dependents of Department of State per-
 11 sonnel overseas.”.

12 **TITLE VII—HEALTH CARE**

13 **SEC. 701. DEPENDENTS’ DENTAL PROGRAM.**

14 (a) INFLATION-INDEXED PREMIUM.—(1) Section
 15 1076a(b)(2) of title 10, United States Code, is amended—

16 (A) by inserting “(A)” after “(2)”; and

17 (B) by adding at the end the following:

18 “(B) Effective as of January 1 of each year, the
 19 amount of the premium required under subparagraph (A)
 20 shall be increased by the percent equal to the lesser of—

21 “(i) the percent by which the rates of basic pay
 22 of members of the uniformed services are increased
 23 on such date; or

24 “(ii) the sum of one-half percent and the per-
 25 cent computed under section 5303(a) of title 5 for

1 the increase in rates of basic pay for statutory pay
2 systems for pay periods beginning on or after such
3 date.”.

4 (2) The amendment made by subparagraph (B) of
5 paragraph (1) shall take effect on January 1, 1999, and
6 shall apply to months after 1998 as if such subparagraph
7 had been in effect since December 31, 1993.

8 (b) OFFER OF PLAN UNDER TRICARE.—(1) Sec-
9 tion 1097 of such title is amended by adding at the end
10 the following:

11 “(f) DEPENDENTS’ DENTAL PLAN.—A basic dental
12 benefits plan established for eligible dependents under sec-
13 tion 1076a of this title may be offered under the
14 TRICARE program.”.

15 (2) Subsection (e) of such section is amended by add-
16 ing at the end the following: “Charges for a basic dental
17 benefits plan offered under the TRICARE program pursu-
18 ant to subsection (f) shall be those provided for under sec-
19 tion 1076a of this title.”.

1 **SEC. 702. EXTENSION OF AUTHORITY FOR USE OF PER-**
 2 **SONAL SERVICES CONTRACTS FOR PROVI-**
 3 **SION OF HEALTH CARE AT MILITARY EN-**
 4 **TRANCE PROCESSING STATIONS AND ELSE-**
 5 **WHERE OUTSIDE MEDICAL TREATMENT FA-**
 6 **CILITIES.**

7 Section 1091(a)(2) of title 10, United States Code,
 8 is amended in the second sentence by striking out “the
 9 end of the one-year period beginning on the date of the
 10 enactment of this paragraph” and inserting in lieu thereof
 11 “June 30, 1999”.

12 **SEC. 703. TRICARE PRIME AUTOMATIC ENROLLMENTS**
 13 **AND RETIREE PAYMENT OPTIONS.**

14 (a) PROCEDURES.—(1) Chapter 55 of title 10,
 15 United States Code, is amended by inserting after section
 16 1097 the following new section:

17 **“§ 1097a. TRICARE Prime: automatic enrollments;**
 18 **payment options**

19 “(a) AUTOMATIC ENROLLMENT OF CERTAIN DE-
 20 PENDENTS.—Each dependent of a member of the uni-
 21 formed services in grade E4 or below who is entitled to
 22 medical and dental care under section 1076(a)(2)(A) of
 23 this title and resides in the catchment area of a facility
 24 of a uniformed service offering TRICARE Prime shall be
 25 automatically enrolled in TRICARE Prime at the facility.
 26 The Secretary concerned shall provide written notice of

1 the enrollment to the member. The enrollment of a de-
2 pendent of the member may be terminated by the member
3 or the dependent at any time.

4 “(b) AUTOMATIC RENEWAL OF ENROLLMENTS OF
5 COVERED BENEFICIARIES.—(1) An enrollment of a cov-
6 ered beneficiary in TRICARE Prime shall be automati-
7 cally renewed upon the expiration of the enrollment unless
8 the renewal is declined.

9 “(2) Not later than 15 days before the expiration
10 date for an enrollment of a covered beneficiary in
11 TRICARE Prime, the Secretary concerned shall—

12 “(A) transmit a written notification of the
13 pending expiration and renewal of enrollment to the
14 covered beneficiary or, in the case of a dependent of
15 a member of the uniformed services, to the member;
16 and

17 “(B) afford the beneficiary or member, as the
18 case may be, an opportunity to decline the renewal
19 of enrollment.

20 “(c) PAYMENT OPTIONS FOR RETIREES.—A member
21 or former member of the uniformed services eligible for
22 medical care and dental care under section 1074(b) of this
23 title may elect to have any fee payable by the member or
24 former member for an enrollment in TRICARE Prime
25 withheld from the member’s retired pay, retainer pay, or

1 equivalent pay, as the case may be, or to be paid from
 2 a financial institution through electronic transfers of
 3 funds. The fee shall be paid in accordance with the elec-
 4 tion.

5 “(d) REGULATIONS.—The administering Secretaries
 6 shall prescribe regulations, including procedures, for car-
 7 rying out this section.

8 “(e) DEFINITIONS.—In this section:

9 “(1) The term ‘TRICARE Prime’ means the
 10 managed care option of the TRICARE program.

11 “(2) The term ‘catchment area’, with respect to
 12 a facility of a uniformed service, means the service
 13 area of the facility, as designated under regulations
 14 prescribed by the administering Secretaries.”.

15 (2) The table of sections at the beginning of such
 16 chapter is amended by inserting after the item relating
 17 to section 1097 the following new item:

1097a. TRICARE Prime: automatic enrollments; payment options.”.

18 (b) DEADLINE FOR IMPLEMENTATION.—The regula-
 19 tions required under subsection (d) of section 1097a of
 20 title 10, United States Code (as added by subsection (a)),
 21 shall be prescribed to take effect not later than January
 22 1, 1999. The section shall be applied under TRICARE
 23 Prime on and after the date on which the regulations take
 24 effect.

1 **SEC. 704. LIMITED CONTINUED CHAMPUS COVERAGE FOR**
 2 **PERSONS UNAWARE OF A LOSS OF CHAMPUS**
 3 **COVERAGE RESULTING FROM ELIGIBILITY**
 4 **FOR MEDICARE.**

5 (a) CONTINUATION OF ELIGIBILITY.—The eligibility
 6 of a person described in subsection (b) for care under
 7 CHAMPUS may be continued under regulations pre-
 8 scribed by the administering Secretaries if it is determined
 9 under the regulations that the continuation of the eligi-
 10 bility is appropriate in order to ensure that the person
 11 has adequate access to health care.

12 (b) ELIGIBLE PERSONS.—Subsection (a) applies to
 13 a person who—

14 (1) has been eligible for health care under
 15 CHAMPUS;

16 (2) loses eligibility for health care under
 17 CHAMPUS solely by reason of paragraph (1) of sec-
 18 tion 1086(d), United States Code;

19 (3) is unaware of the loss of eligibility; and

20 (4) satisfies the conditions set forth in subpara-
 21 graphs (A) and (B) of paragraph (2) of such section
 22 1086(d) at the time health care is provided under
 23 CHAMPUS pursuant to a continuation of eligibility
 24 in accordance with this section.

25 (c) PERIOD OF CONTINUED ELIGIBILITY.—A con-
 26 tinuation of eligibility under this section shall apply with

1 regard to health care provided on or after October 1,
2 1998, and before July 1, 1999.

3 (d) DEFINITIONS.—In this section:

4 (1) The term “administering Secretaries” has
5 the meaning given such term in paragraph (3) of
6 section 1072 of title 10, United States Code.

7 (2) The term “CHAMPUS” means the Civilian
8 Health and Medical Program of the Uniformed
9 Services, as defined in paragraph (4) of such sec-
10 tion.

11 **SEC. 705. ENHANCED DEPARTMENT OF DEFENSE ORGAN**
12 **AND TISSUE DONOR PROGRAM.**

13 (a) FINDINGS.—Congress makes the following find-
14 ings:

15 (1) Organ and tissue transplantation is one of
16 the most remarkable medical success stories in the
17 history of medicine.

18 (2) Each year, the number of people waiting for
19 organ or tissue transplantation increases. It is esti-
20 mated that there are approximately 39,000 patients,
21 ranging in age from babies to those in retirement,
22 awaiting transplants of kidneys, hearts, livers, and
23 other solid organs.

24 (3) The Department of Defense has made sig-
25 nificant progress in increasing the awareness of the

1 importance of organ and tissue donations among
2 members of the Armed Forces.

3 (4) The inclusion of organ and tissue donor
4 elections in the Defense Enrollment Eligibility Re-
5 porting System (DEERS) central database through
6 the Real-time Automated Personnel Identification
7 System (RAPIDS) represents a major step in ensur-
8 ing that organ and tissue donor elections are a mat-
9 ter of record and are accessible in a timely manner.

10 (b) RESPONSIBILITIES OF THE SECRETARY OF DE-
11 FENSE.—The Secretary of Defense shall ensure that the
12 advanced systems developed for recording Armed Forces
13 members' personal data and information (such as the
14 SMARTCARD, MEDITAG, and Personal Information
15 Carrier) include the capability to record organ and tissue
16 donation elections.

17 (c) RESPONSIBILITIES OF THE SECRETARIES OF THE
18 MILITARY DEPARTMENTS.—The Secretaries of the mili-
19 tary departments shall ensure that—

20 (1) appropriate information about organ and
21 tissue donation is provided to each recruit and offi-
22 cer candidate of the Armed Forces during initial
23 training;

24 (2) members of the Armed Forces are given re-
25 curring, specific opportunities to elect to be organ or

1 tissue donors during service in the Armed Forces
2 and upon retirement; and

3 (3) members of the Armed Forces electing to be
4 organ or tissue donors are encouraged to advise
5 their next of kin concerning the donation decision
6 and any subsequent change of that decision.

7 (d) RESPONSIBILITIES OF THE SURGEONS GENERAL
8 OF THE MILITARY DEPARTMENT.—The Surgeons General
9 of the Armed Forces shall ensure that—

10 (1) appropriate training is provided to enlisted
11 and officer medical personnel to facilitate the effec-
12 tive operation of organ and tissue donation activities
13 under garrison conditions and, to the extent pos-
14 sible, under operational conditions; and

15 (2) medical logistical activities can, to the ex-
16 tent possible without jeopardizing operational re-
17 quirements, support an effective organ and tissue
18 donation program.

19 (e) REPORT.—Not later than September 1, 1999, the
20 Secretary of Defense shall submit to the Committee on
21 Armed Services of the Senate and the Committee on Na-
22 tional Security of the House of Representatives a report
23 on the status of the implementation of this section.

1 **SEC. 706. JOINT DEPARTMENT OF DEFENSE AND DEPART-**
2 **MENT OF VETERANS AFFAIRS REVIEWS RE-**
3 **LATING TO INTERDEPARTMENTAL COOPERA-**
4 **TION IN THE DELIVERY OF MEDICAL CARE.**

5 (a) FINDINGS.—Congress makes the following find-
6 ings:

7 (1) The military health care system of the De-
8 partment of Defense and the Veterans Health Ad-
9 ministration of the Department of Veterans Affairs
10 are national institutions that collectively manage
11 more than 1,500 hospitals, clinics, and health care
12 facilities worldwide to provide services to more than
13 11,000,000 beneficiaries.

14 (2) In the post-Cold War era, these institutions
15 are in a profound transition that involves challeng-
16 ing opportunities.

17 (3) During the period from 1988 to 1998, the
18 number of military medical personnel has declined
19 by 15 percent and the number of military hospitals
20 has been reduced by one-third.

21 (4) During the two years since 1996, the De-
22 partment of Veterans Affairs has revitalized its
23 structure by decentralizing authority into 22 Veter-
24 ans Integrated Service Networks.

25 (5) In the face of increasing costs of medical
26 care, increased demands for health care services, and

1 increasing budgetary constraints, the Department of
2 Defense and the Department of Veterans Affairs
3 have embarked on a variety of dynamic and innova-
4 tive cooperative programs ranging from shared serv-
5 ices to joint venture operations of medical facilities.

6 (6) In 1984, there was a combined total of 102
7 Department of Veterans Affairs and Department of
8 Defense facilities with sharing agreements. By 1997,
9 that number had grown to 420. During the six years
10 from fiscal year 1992 through fiscal year 1997,
11 shared services increased from slightly over 3,000
12 services to more than 6,000 services ranging from
13 major medical and surgical services, laundry, blood,
14 and laboratory services to unusual speciality care
15 services.

16 (7) The Department of Defense and the De-
17 partment of Veterans Affairs are conducting four
18 health care joint ventures in New Mexico, Nevada,
19 Texas, Oklahoma, and are planning to conduct four
20 more such ventures in Alaska, Florida, Hawaii, and
21 California.

22 (b) SENSE OF CONGRESS.—It is the sense of Con-
23 gress that—

24 (1) the Department of Defense and the Depart-
25 ment of Veterans Affairs are to be commended for

1 the cooperation between the two departments in the
2 delivery of medical care, of which the cooperation in-
3 volved in the establishment and operation of the De-
4 partment of Defense and the Department of Veter-
5 ans Affairs Executive Council is a praiseworthy ex-
6 ample;

7 (2) the two departments are encouraged to con-
8 tinue to explore new opportunities to enhance the
9 availability and delivery of medical care to bene-
10 ficiaries by further enhancing the cooperative efforts
11 of the departments; and

12 (3) enhanced cooperation is encouraged for—

13 (A) the general areas of access to quality
14 medical care, identification and elimination of
15 impediments to enhanced cooperation, and joint
16 research and program development; and

17 (B) the specific areas in which there is sig-
18 nificant potential to achieve progress in co-
19 operation in a short term, including comput-
20 erization of patient records systems, participa-
21 tion of the Department of Veterans Affairs in
22 the TRICARE program, pharmaceutical pro-
23 grams, and joint physical examinations.

24 (c) JOINT SURVEY OF POPULATIONS SERVED.—(1)

25 The Secretary of Defense and the Secretary of Veterans

1 Affairs shall jointly conduct a survey of their respective
2 medical care beneficiary populations to identify, by cat-
3 egory of beneficiary (defined as the Secretaries consider
4 appropriate), the expectations of, requirements for, and
5 behavior patterns of the beneficiaries with respect to medi-
6 cal care. The two Secretaries shall develop the protocol
7 for the survey jointly, but shall obtain the services of an
8 entity independent of the Department of Defense and the
9 Department of Veterans Affairs for carrying out the sur-
10 vey.

11 (2) The survey shall include the following:

12 (A) Demographic characteristics, economic
13 characteristics, and geographic location of bene-
14 ficiary populations with regard to catchment or serv-
15 ice areas.

16 (B) The types and frequency of care required
17 by veterans, retirees, and dependents within
18 catchment or service areas of Department of De-
19 fense and Veterans Affairs medical facilities and
20 outside those areas.

21 (C) The numbers of, characteristics of, and
22 types of medical care needed by the veterans, retir-
23 ees, and dependents who, though eligible for medical
24 care in Department of Defense or Department of
25 Veterans Affairs treatment facilities or other feder-

1 ally funded medical programs, choose not to seek
2 medical care from those facilities or under those pro-
3 grams, and the reasons for that choice.

4 (D) The obstacles or disincentives for seeking
5 medical care from such facilities or under such pro-
6 grams that veterans, retirees, and dependents per-
7 ceive.

8 (E) Any other matters that the Secretary of
9 Defense and the Secretary of Veterans Affairs con-
10 sider appropriate for the survey.

11 (3) The Secretary of Defense and the Secretary of
12 Veterans Affairs shall submit a report on the results of
13 the survey to the appropriate committees of Congress. The
14 report shall contain the matters described in paragraph
15 (2) and any proposals for legislation that the Secretaries
16 recommend for enhancing Department of Defense and De-
17 partment of Veterans Affairs cooperative efforts with re-
18 spect to the delivery of medical care.

19 (d) REVIEW OF LAW AND POLICIES.—(1) The Sec-
20 retary of Defense and the Secretary of Veterans Affairs
21 shall jointly conduct a review to identify impediments to
22 cooperation between the Department of Defense and the
23 Department of Veterans Affairs regarding the delivery of
24 medical care. The matters reviewed shall include the fol-
25 lowing:

1 (A) All laws, policies, and regulations, and any
2 attitudes of beneficiaries of the health care systems
3 of the two departments, that have the effect of pre-
4 venting the establishment, or limiting the effective-
5 ness, of cooperative health care programs of the de-
6 partments.

7 (B) The requirements and practices involved in
8 the credentialling and licensure of health care pro-
9 viders.

10 (C) The perceptions of beneficiaries in a variety
11 of categories (defined as the Secretaries consider ap-
12 propriate) regarding the various Federal health care
13 systems available for their use.

14 (2) The Secretaries shall jointly submit a report on
15 the results of the review to the appropriate committees
16 of Congress. The report shall include any proposals for
17 legislation that the Secretaries recommend for eliminating
18 or reducing impediments to interdepartmental cooperation
19 that are identified during the review.

20 (e) PARTICIPATION IN TRICARE.—(1) The Sec-
21 retary of Defense shall review the TRICARE program to
22 identify opportunities for increased participation by the
23 Department of Veterans Affairs in that program. The on-
24 going collaboration between Department of Defense offi-
25 cials and Department of Veterans Affairs officials regard-

1 ing increasing the participation shall be included among
2 the matters reviewed.

3 (2) The Secretary of Defense and the Secretary of
4 Veterans Affairs shall jointly submit to the appropriate
5 committees of Congress a semiannual report on the status
6 of the review and on efforts to increase the participation
7 of the Department of Veterans Affairs in the TRICARE
8 program. No report is required under this paragraph after
9 the submission of a semiannual report in which the Sec-
10 retaries declare that the Department of Veterans Affairs
11 is participating in the TRICARE program to the extent
12 that can reasonably be expected to be attained.

13 (f) PHARMACEUTICAL BENEFITS AND PROGRAMS.—

14 (1) The Federal Pharmaceutical Steering Committee
15 shall—

16 (A) undertake a comprehensive examination of
17 existing pharmaceutical benefits and programs for
18 beneficiaries of Federal medical care programs, in-
19 cluding matters relating to the purchasing, distribu-
20 tion, and dispensing of pharmaceuticals and the
21 management of mail order pharmaceuticals pro-
22 grams; and

23 (B) review the existing methods for contracting
24 for and distributing medical supplies and services.

1 (2) The committee shall submit a report on the re-
2 sults of the examination to the appropriate committees of
3 Congress.

4 (g) STANDARDIZATION OF PHYSICAL EXAMINATIONS
5 FOR DISABILITY.—The Secretary of Defense and the Sec-
6 retary of Veterans Affairs shall submit to the appropriate
7 committees of Congress a report on the status of the ef-
8 forts of the Department of Defense and the Department
9 of Veterans Affairs to standardize physical examinations
10 administered by the two departments for the purpose of
11 determining or rating disabilities.

12 (h) APPROPRIATE COMMITTEES OF CONGRESS DE-
13 FINED.—For the purposes of this section, the appropriate
14 committees of Congress are as follows:

15 (1) The Committee on Armed Services and the
16 Committee on Veterans' Affairs of the Senate.

17 (2) The Committee on National Security and
18 the Committee on Veterans' Affairs of the House of
19 Representatives.

20 (i) DEADLINES FOR SUBMISSION OF REPORTS.—(1)
21 The report required by subsection (c)(3) shall be submit-
22 ted not later than January 1, 2000.

23 (2) The report required by subsection (d)(2) shall be
24 submitted not later than March 1, 1999.

1 (3) The semiannual report required by subsection
 2 (e)(2) shall be submitted not later than March 1 and Sep-
 3 tember 1 of each year.

4 (4) The report on the examination required under
 5 subsection (f) shall be submitted not later than 60 days
 6 after the completion of the examination.

7 (5) The report required by subsection (g) shall be
 8 submitted not later than March 1, 1999.

9 **SEC. 707. DEMONSTRATION PROJECTS TO PROVIDE**
 10 **HEALTH CARE TO CERTAIN MEDICARE-ELIGI-**
 11 **BLE BENEFICIARIES OF THE MILITARY**
 12 **HEALTH CARE SYSTEM.**

13 (a) IN GENERAL.—(1) The Secretary of Defense
 14 shall, after consultation with the other administering Sec-
 15 retaries, carry out three demonstration projects (described
 16 in subsections (d), (e), and (f)) in order to assess the fea-
 17 sibility and advisability of providing certain medical care
 18 coverage to the medicare-eligible individuals described in
 19 subsection (b).

20 (2) The Secretary shall commence the demonstration
 21 projects not later than January 1, 2000, and shall termi-
 22 nate the demonstration projects not later than December
 23 31, 2003.

1 (3) The aggregate costs incurred by the Secretary
 2 under the demonstration projects in any year may not ex-
 3 ceed \$60,000,000.

4 (b) ELIGIBLE INDIVIDUALS.—An individual eligible
 5 to participate in a demonstration project under subsection
 6 (a) is a member or former member of the uniformed serv-
 7 ices described in section 1074(b) of title 10, United States
 8 Code, a dependent of the member described in section
 9 1076(a)(2)(B) or 1076(b) of that title, or a dependent of
 10 a member of the uniformed services who died while on ac-
 11 tive duty for a period of more than 30 days, who—

12 (1) is 65 years of age or older;

13 (2) is entitled to hospital insurance benefits
 14 under part A of title XVIII of the Social Security
 15 Act (42 U.S.C. 1395c et seq.);

16 (3) is enrolled in the supplemental medical in-
 17 surance program under part B of such title XVIII
 18 (42 U.S.C. 1395j et seq.); and

19 (4) resides in an area of the demonstration
 20 project selected by the Secretary under subsection
 21 (c).

22 (c) AREAS OF DEMONSTRATION PROJECTS.—(1)
 23 Subject to paragraph (3), the Secretary shall carry out
 24 each demonstration project under this section in two sepa-
 25 rate areas selected by the Secretary.

1 (2) Of the two areas selected for each demonstration
2 project—

3 (A) one shall be an area outside the catchment
4 area of a military medical treatment facility in
5 which—

6 (i) no eligible organization has a contract
7 in effect under section 1876 of the Social Secu-
8 rity Act (42 U.S.C. 1395mm) and no
9 Medicare+Choice organization has a contract
10 in effect under part C of title XVIII of that Act
11 (42 U.S.C. 1395w-21); or

12 (ii) the aggregate number of enrollees with
13 an eligible organization with a contract in effect
14 under section 1876 of that Act or with a
15 Medicare+Choice organization with a contract
16 in effect under part C of title XVIII of that Act
17 is less than 2.5 percent of the total number of
18 individuals in the area who are entitled to hos-
19 pital insurance benefits under part A of title
20 XVIII of that Act; and

21 (B) one shall be an area outside the catchment
22 area of a military medical treatment facility in
23 which—

24 (i) at least one eligible organization has a
25 contract in effect under section 1876 of that

1 Act or one Medicare+Choice organization has a
2 contract in effect under part C of title XVIII of
3 that Act; and

4 (ii) the aggregate number of enrollees with
5 an eligible organization with a contract in effect
6 under section 1876 of that Act or with a
7 Medicare+Choice organization with a contract
8 in effect under part C of title XVIII of that Act
9 exceeds 10 percent of the total number of indi-
10 viduals in the area who are entitled to hospital
11 insurance benefits under part A of title XVIII
12 of that Act.

13 (3) The Secretary may not carry out a demonstration
14 project under this section in any area in which the Sec-
15 retary is carrying out any other medical care demonstra-
16 tion project unless the Secretary determines that the con-
17 duct of such other medical care demonstration project will
18 not interfere with the conduct or evaluation of the dem-
19 onstration project under this section.

20 (d) FEHBP AS SUPPLEMENT TO MEDICARE DEM-
21 ONSTRATION.—(1)(A) Under one of the demonstration
22 projects under this section, the Secretary shall permit eli-
23 gible individuals described in subsection (b) who reside in
24 the areas of the demonstration project selected under sub-
25 section (c) to enroll in the health benefits plans offered

1 through the Federal Employees Health Benefits program
2 under chapter 89 of title 5, United States Code.

3 (B) The Secretary shall carry out the demonstration
4 project under this subsection under an agreement with the
5 Office of Personnel Management.

6 (2)(A) An eligible individual described in paragraph
7 (1) shall not be required to satisfy any eligibility criteria
8 specified in chapter 89 of title 5, United States Code, as
9 a condition for enrollment in the health benefits plans of-
10 fered through the Federal Employee Health Benefits pro-
11 gram under the demonstration project under this sub-
12 section.

13 (B) Each eligible individual who enrolls in a health
14 benefits plan under the demonstration project shall be re-
15 quired to remain enrolled in the supplemental medical in-
16 surance program under part B of title XVIII of the Social
17 Security Act while participating in the demonstration
18 project.

19 (3)(A) The authority responsible for approving re-
20 tired or retainer pay or equivalent pay in the case of a
21 member or former member shall manage the participation
22 of the members or former members who enroll in health
23 benefits plans offered through the Federal Employee
24 Health Benefits program pursuant to paragraph (1).

1 (B) Such authority shall distribute program informa-
2 tion to eligible individuals, process enrollment applica-
3 tions, forward all required contributions to the Employees
4 Health Benefits Fund established under section 8909 of
5 title 5, United States Code, in a timely manner, assist in
6 the reconciliation of enrollment records with health plans,
7 and prepare such reports as the Office of Personnel Man-
8 agement may require in its administration of chapter 89
9 of such title.

10 (4)(A) The Office of Personnel Management shall re-
11 quire health benefits plans under chapter 89 of title 5,
12 United States Code, that participate in the demonstration
13 project to maintain a separate risk pool for purposes of
14 establishing premium rates for eligible individuals who en-
15 roll in such plans in accordance with this subsection.

16 (B) The Office shall determine total subscription
17 charges for self only or for family coverage for eligible in-
18 dividuals who enroll in a health benefits plan under chap-
19 ter 89 of such title in accordance with this subsection,
20 which shall include premium charges paid to the plan and
21 amounts described in section 8906(c) of title 5, United
22 States Code, for administrative expenses and contingency
23 reserves.

24 (5) The Secretary shall be responsible for the Govern-
25 ment contribution for an eligible individual who enrolls in

1 a health benefits plan under chapter 89 of title 5, United
2 States Code, in accordance with this subsection, except
3 that the amount of the contribution may not exceed the
4 amount of the Government contribution which would be
5 payable if such individual were an employee enrolled in
6 the same health benefits plan and level of benefits.

7 (6) The cancellation by a eligible individual of cov-
8 erage under the Federal Employee Health Benefits pro-
9 gram shall be irrevocable during the term of the dem-
10 onstration project under this subsection.

11 (e) TRICARE AS SUPPLEMENT TO MEDICARE DEM-
12 ONSTRATION.—(1) Under one of the demonstration
13 projects under this section, the Secretary shall permit eli-
14 gible individuals described in subsection (b) who reside in
15 each area of the demonstration project selected under sub-
16 section (c) to enroll in the TRICARE program. The dem-
17 onstration project under this subsection shall be known
18 as the “TRICARE Senior Supplement”.

19 (2) Payment for care and services received by eligible
20 individuals who enroll in the TRICARE program under
21 the demonstration project shall be made as follows:

22 (A) First, under title XVIII of the Social Secu-
23 rity Act, but only the extent that payment for such
24 care and services is provided for under that title.

1 (B) Second, under the TRICARE program, but
2 only to the extent that payment for such care and
3 services is provided under that program and is not
4 provided for under subparagraph (A).

5 (C) Third, by the eligible individual concerned,
6 but only to the extent that payment for such care
7 and services is not provided for under subpara-
8 graphs (B) and (C).

9 (3)(A) The Secretary shall require each eligible indi-
10 vidual who enrolls in the TRICARE program under the
11 demonstration project to pay an enrollment fee. The Sec-
12 retary may provide for payment of the enrollment fee on
13 a periodic basis.

14 (B) The amount of the enrollment fee of an eligible
15 individual under subparagraph (A) in any year may not
16 exceed an amount equal to 75 percent of the total sub-
17 scription charges in that year for self-only or family, fee-
18 for-service coverage under the health benefits plan under
19 the Federal Employees Health Benefits program under
20 chapter 89 of title 5, United States Code, that is most
21 similar in coverage to the TRICARE program.

22 (f) TRICARE MAIL ORDER PHARMACY BENEFIT
23 SUPPLEMENT TO MEDICARE DEMONSTRATION.—(1)
24 Under one of the demonstration projects under this sec-
25 tion, the Secretary shall permit eligible individuals de-

1 scribed in subsection (b) who reside in each area of the
2 demonstration project selected under subsection (c) to
3 participate in the mail order pharmacy benefit available
4 under the TRICARE program.

5 (2) The Secretary may collect from eligible individ-
6 uals who participate in the mail order pharmacy benefit
7 under the demonstration project any premiums,
8 deductibles, copayments, or other charges that the Sec-
9 retary would otherwise collect from individuals similar to
10 such eligible individuals for participation in the benefit.

11 (g) INDEPENDENT EVALUATION.—(1) The Secretary
12 shall provide for an evaluation of the demonstration
13 projects conducted under this section by an appropriate
14 person or entity that is independent of the Department
15 of Defense.

16 (2) The evaluation shall include the following:

17 (A) An analysis of the costs of each demonstra-
18 tion project to the United States and to the eligible
19 individuals who enroll or participate in such dem-
20 onstration project.

21 (B) An assessment of the extent to which each
22 demonstration project satisfied the requirements of
23 such eligible individuals for the health care services
24 available under such demonstration project.

1 (C) An assessment of the effect, if any, of each
2 demonstration project on military medical readiness.

3 (D) A description of the rate of the enrollment
4 or participation in each demonstration project of the
5 individuals who were eligible to enroll or participate
6 in such demonstration project.

7 (E) An assessment of which demonstration
8 project provides the most suitable model for a pro-
9 gram to provide adequate health care services to the
10 population of individuals consisting of the eligible in-
11 dividuals.

12 (F) An evaluation of any other matters that the
13 Secretary considers appropriate.

14 (3) The Comptroller General shall review the evalua-
15 tion conducted under paragraph (1). In carrying out the
16 review, the Comptroller General shall—

17 (A) assess the validity of the processes used in
18 the evaluation; and

19 (B) assess the validity of any findings under
20 the evaluation.

21 (4)(A) The Secretary shall submit a report on the re-
22 sults of the evaluation under paragraph (1), together with
23 the evaluation, to the Committee on Armed Services of
24 the Senate and the Committee on National Security of the

1 House of Representatives not later than December 31,
2 2003.

3 (B) The Comptroller General shall submit a report
4 on the results of the review under paragraph (3) to the
5 committees referred to in subparagraph (A) not later than
6 February 15, 2004.

7 (h) DEFINITIONS.—In this section:

8 (1) The term “administering Secretaries” has
9 the meaning given that term in section 1072(3) of
10 title 10, United States Code.

11 (2) The term “TRICARE program” has the
12 meaning given that term in section 1072(7) of title
13 10, United States Code.

14 **TITLE VIII—ACQUISITION POL-**
15 **ICY, ACQUISITION MANAGE-**
16 **MENT, AND RELATED MAT-**
17 **TERS**

18 **SEC. 801. PARA-ARAMID FIBERS AND YARNS.**

19 (a) AUTHORIZED SOURCES.—Chapter 141 of title 10,
20 United States Code is amended by adding at the end the
21 following:

22 **“§ 2410n. Foreign manufactured para-aramid fibers**
23 **and yarns: procurement**

24 **“(a) AUTHORITY.—The Secretary of Defense may**
25 **procure articles containing para-aramid fibers and yarns**

1 manufactured in a foreign country referred to in sub-
 2 section (b).

3 “(b) FOREIGN COUNTRIES COVERED.—The author-
 4 ity under subsection (a) applies with respect to a foreign
 5 country that—

6 “(1) is a party to a defense memorandum of
 7 understanding entered into under section 2531 of
 8 this title; and

9 “(2) permits United States firms that manufac-
 10 ture para-aramid fibers and yarns to compete with
 11 foreign firms for the sale of para-aramid fibers and
 12 yarns in that country, as determined by the Sec-
 13 retary of Defense.

14 “(c) APPLICABILITY TO SUBCONTRACTS.—The au-
 15 thority under subsection (a) applies with respect to sub-
 16 contracts under Department of Defense contracts as well
 17 as to such contracts.

18 “(d) DEFINITIONS.—In this section, the terms
 19 ‘United States firm’ and ‘foreign firm’ have the meanings
 20 given such terms in section 2532(d) of this title.”.

21 (b) CLERICAL AMENDMENT.—The table of sections
 22 at the beginning of such chapter is amended by adding
 23 at the end the following:

“2410n. Foreign manufactured para-aramid fibers and yarns: procurement.”.

1 **SEC. 802. PROCUREMENT OF TRAVEL SERVICES FOR OFFI-**
2 **CIAL AND UNOFFICIAL TRAVEL UNDER ONE**
3 **CONTRACT.**

4 (a) **AUTHORITY.**—Chapter 147 of title 10, United
5 States Code, is amended by inserting after section 2490a
6 the following new section:

7 **“§ 2490b. Travel services: procurement for official**
8 **and unofficial travel under one contract**

9 “(a) **AUTHORITY.**—The head of an agency may enter
10 into a contract for travel-related services that provides for
11 the contractor to furnish services for both official travel
12 and unofficial travel.

13 “(b) **CREDITS, DISCOUNTS, COMMISSIONS, FEES.**—
14 (1) A contract entered into under this section may provide
15 for credits, discounts, or commissions or other fees to ac-
16 crue to the Department of Defense. The accrual and
17 amounts of credits, discounts, or commissions or other
18 fees may be determined on the basis of the volume (meas-
19 ured in the number or total amount of transactions or oth-
20 erwise) of the travel-related sales that are made by the
21 contractor under the contract.

22 “(2) The evaluation factors applicable to offers for
23 a contract under this section may include a factor that
24 relates to the estimated aggregate value of any credits,
25 discounts, commissions, or other fees that would accrue

1 to the Department of Defense for the travel-related sales
2 made under the contract.

3 “(3) Commissions or fees received by the Department
4 of Defense as a result of travel-related sales made under
5 a contract entered into under this section shall be distrib-
6 uted as follows:

7 “(A) For amounts relating to sales for official
8 travel, credit to appropriations available for official
9 travel for the fiscal year in which the amount is re-
10 ceived.

11 “(B) For amounts relating to sales for unoffi-
12 cial travel, deposit in nonappropriated fund accounts
13 available for morale, welfare, and recreation pro-
14 grams.

15 “(c) DEFINITIONS.—In this section:

16 “(1) The term ‘head of an agency’ has the
17 meaning given that term in section 3202(1) of this
18 title.

19 “(2) The term ‘official travel’ means travel at
20 the expense of the Federal Government.

21 “(3) The term ‘unofficial travel’ means personal
22 travel or other travel that is not paid for or reim-
23 bursed by the Federal Government out of appro-
24 priated funds.

1 “(d) INAPPLICABILITY TO COAST GUARD AND
 2 NASA.—This section does not apply to the Coast Guard
 3 when it is not operating as a service in the Navy, nor to
 4 the National Aeronautics and Space Administration.”.

5 (b) CLERICAL AMENDMENT.—The table of sections
 6 at the beginning of such chapter is amended by adding
 7 at the end the following:

“2490b. Travel services: procurement for official and unofficial travel under one contract.”.

8 **SEC. 803. LIMITATION ON USE OF PRICE PREFERENCE**
 9 **UPON ATTAINMENT OF CONTRACT GOAL FOR**
 10 **SMALL AND DISADVANTAGED BUSINESSES.**

11 Section 2323(e)(3) of title 10, United States Code,
 12 is amended—

13 (1) by inserting “(A)” after “(3)”;

14 (2) by inserting “, except as provided in (B),”
 15 after “the head of an agency may” in the first sen-
 16 tence; and

17 (3) by adding at the end the following:

18 “(B) The head of an agency may not exercise the au-
 19 thority under subparagraph (A) to enter into a contract
 20 for a price exceeding fair market cost in the fiscal year
 21 following a fiscal year in which the Department of Defense
 22 attained the 5 percent goal required by subsection (a).”.

1 **SEC. 804. DISTRIBUTION OF ASSISTANCE UNDER THE PRO-**
2 **CUREMENT TECHNICAL ASSISTANCE COOP-**
3 **ERATIVE AGREEMENT PROGRAM.**

4 (a) CORRECTION OF DESCRIPTION OF GEOGRAPHIC
5 UNIT.—Section 2413(c) of title 10, United States Code,
6 is amended by striking out “region” and inserting in lieu
7 thereof “district”.

8 (b) ALLOCATION OF FUNDS.—(1) Section 2415 of
9 title 10, United States Code, is repealed.

10 (2) The table of sections at the beginning of chapter
11 142 of such title is amended by striking the item relating
12 to section 2415.

13 **SEC. 805. DEFENSE COMMERCIAL PRICING MANAGEMENT**
14 **IMPROVEMENT.**

15 (a) SHORT TITLE.—This section may be cited as the
16 “Defense Commercial Pricing Management Improvement
17 Act of 1998”.

18 (b) COMMERCIAL ITEMS EXEMPT FROM COST OR
19 PRICING DATA CERTIFICATION REQUIREMENTS.—For
20 the purposes of this section, the term “exempt item”
21 means a commercial item that is exempt under subsection
22 (b)(1)(B) of section 2306a of title 10, United States Code,
23 from the requirements for submission of certified cost or
24 pricing data under that section.

25 (c) COMMERCIAL PRICING REGULATIONS.—(1) The
26 Secretary of Defense, in consultation with the Adminis-

1 trator for Federal Procurement Policy, shall prescribe reg-
2 ulations that clarify the procedures and methods to be
3 used for determining the reasonableness of prices of ex-
4 empt items.

5 (2) The regulations shall, at a minimum, provide spe-
6 cific guidance on—

7 (A) the appropriate application and precedence
8 of such price analysis tools as catalog-based pricing,
9 market-based pricing, historical pricing, parametric
10 pricing, and value analysis;

11 (B) the circumstances under which contracting
12 officers should require offerors of exempt items to
13 provide—

14 (i) uncertified cost or pricing data; or

15 (ii) information on prices at which the of-
16 feror has previously sold the same or similar
17 items;

18 (C) the role and responsibility of Department of
19 Defense support organizations, such as the Defense
20 Contract Audit Agency, in procedures for determin-
21 ing price reasonableness; and

22 (D) the meaning and appropriate application of
23 the term “purposes other than governmental pur-
24 poses” in section 4(12) of the Office of Federal Pro-
25 curement Policy Act (41 U.S.C. 403(12)).

1 (3) This subsection shall cease to be effective one
2 year after the date on which final regulations prescribed
3 pursuant to paragraph (1) take effect.

4 (d) UNIFIED MANAGEMENT OF PROCUREMENT OF
5 EXEMPT COMMERCIAL ITEMS.—The Secretary of Defense
6 shall develop and implement procedures to ensure that, to
7 the maximum extent that is practicable and consistent
8 with the efficient operation of the Department of Defense,
9 a single item manager or contracting officer is responsible
10 for negotiating and entering into all contracts for the pro-
11 curement of exempt items from a single contractor.

12 (e) COMMERCIAL PRICE TREND ANALYSIS.—(1) The
13 Secretary of Defense shall develop and implement proce-
14 dures that, to the maximum extent that is practicable and
15 consistent with the efficient operation of the Department
16 of Defense, provide for the collection and analysis of infor-
17 mation on price trends for categories of exempt items de-
18 scribed in paragraph (2).

19 (2) A category of exempt items referred to in para-
20 graph (1) consists of exempt items—

21 (A) that are in a single Federal Supply Group
22 or Federal Supply Class, are provided by a single
23 contractor, or are otherwise logically grouped for the
24 purpose of analyzing information on price trends;
25 and

1 (B) for which there is a potential for the price
2 paid to be significantly higher (on a percentage
3 basis) than the prices previously paid in procure-
4 ments of the same or similar items for the Depart-
5 ment of Defense, as determined by the head of the
6 procuring Department of Defense agency or the Sec-
7 retary of the procuring military department on the
8 basis of criteria prescribed by the Secretary of De-
9 fense.

10 (3) The head of a Department of Defense agency or
11 the Secretary of a military department shall take appro-
12 priate action to address any unreasonable escalation in
13 prices being paid for items procured by that agency or
14 military department as identified in an analysis conducted
15 pursuant to paragraph (1).

16 (4)(A) Not later than 180 days after the date of the
17 enactment of this Act, the Under Secretary of Defense for
18 Acquisition and Technology shall submit to the congres-
19 sional defense committees a report describing the proce-
20 dures prescribed under paragraph (1), including a descrip-
21 tion of the criteria established for the selection of cat-
22 egories of exempt items for price trend analysis.

23 (B) Not later than April 1 of each of fiscal years
24 2000, 2001, and 2002, the Under Secretary of Defense
25 for Acquisition and Technology shall submit to the con-

gressional defense committees a report on the analyses of price trends that were conducted for categories of exempt items during the preceding fiscal year under the procedures prescribed pursuant to paragraph (1). The report shall include a description of the actions taken to identify and address any unreasonable price escalation for the categories of items.

(f) SECRETARY OF DEFENSE TO ACT THROUGH UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND TECHNOLOGY.—The Secretary of Defense shall act through the Under Secretary of Defense for Acquisition and Technology to carry out subsections (d) and (e).

SEC. 806. DEPARTMENT OF DEFENSE PURCHASES THROUGH OTHER AGENCIES.

(a) EXTENSION OF REGULATIONS.—Not later than three months after the date of the enactment of this Act, the Secretary of Defense shall revise the regulations issued pursuant to section 844 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1720; 31 U.S.C. 1535 note) to cover all purchases of goods and services by the Department of Defense under contracts entered into or administered by any other agency pursuant to the authority of section 2304a of title 10, United States Code, or section 303H of the

1 Federal Property and Administrative Services Act (41
2 U.S.C. 253h).

3 (b) TERMINATION.—This section shall cease to be ef-
4 fective 1 year after the date on which final regulations
5 prescribed pursuant to subsection (a) take effect.

6 **SEC. 807. SUPERVISION OF DEFENSE ACQUISITION UNI-**
7 **VERSITY STRUCTURE BY UNDER SECRETARY**
8 **OF DEFENSE FOR ACQUISITION AND TECH-**
9 **NOLOGY.**

10 Section 1702 of title 10, United States Code, is
11 amended by adding at the end the following: “The Under
12 Secretary shall prescribe policies and requirements for the
13 educational programs of the defense acquisition university
14 structure established under section 1746 of this title.”.

15 **SEC. 808. REPEAL OF REQUIREMENT FOR DIRECTOR OF**
16 **ACQUISITION EDUCATION, TRAINING, AND**
17 **CAREER DEVELOPMENT TO BE WITHIN THE**
18 **OFFICE OF THE UNDER SECRETARY OF DE-**
19 **FENSE FOR ACQUISITION AND TECHNOLOGY.**

20 Section 1703 of title 10, United States Code, is
21 amended by striking out “within the office of the Under
22 Secretary”.

1 **SEC. 809. ELIGIBILITY OF INVOLUNTARILY DOWNGRADED**
 2 **EMPLOYEE FOR MEMBERSHIP IN AN ACQUI-**
 3 **SITION CORPS.**

4 Section 1732(c) of title 10, United States Code, is
 5 amended by adding at the end the following new para-
 6 graph:

7 “(3) Paragraph (1) of subsection (b) shall not apply
 8 to an employee who—

9 “(A) having previously served in a position
 10 within a grade referred to in subparagraph (A) of
 11 that paragraph, is currently serving in the same po-
 12 sition within a grade below GS–13, or in another po-
 13 sition within that grade, by reason of a reduction in
 14 force or the closure or realignment of a military in-
 15 stallation, or for any other reason other by reason
 16 of an adverse personnel action for cause; and

17 “(B) except as provided in paragraphs (1) and
 18 (2), satisfies the educational, experience, and other
 19 requirements prescribed under paragraphs (2), (3),
 20 and (4) of that subsection.”.

21 **SEC. 810. PILOT PROGRAMS FOR TESTING PROGRAM MAN-**
 22 **AGER PERFORMANCE OF PRODUCT SUPPORT**
 23 **OVERSIGHT RESPONSIBILITIES FOR LIFE**
 24 **CYCLE OF ACQUISITION PROGRAMS.**

25 (a) DESIGNATION OF PILOT PROGRAMS.—The Sec-
 26 retary of Defense, acting through the Secretaries of the

1 military departments, shall designate 10 acquisition pro-
2 grams of the military departments as pilot programs on
3 program manager responsibility for product support.

4 (b) RESPONSIBILITIES OF PROGRAM MANAGERS.—

5 The program manager for each acquisition program des-
6 ignated as a pilot program under this section shall have
7 the responsibility for ensuring that the product support
8 functions for the program are properly carried out over
9 the entire life cycle of the program.

10 (c) REPORT.—Not later than February 1, 1999, the
11 Secretary of Defense shall submit to the congressional de-
12 fense committees a report on the pilot programs. The re-
13 port shall contain the following:

14 (1) A description of the acquisition programs
15 designated as pilot programs under subsection (a).

16 (2) For each such acquisition program, the spe-
17 cific management actions taken to ensure that the
18 program manager has the responsibility for oversight
19 of the performance of the product support functions.

20 (3) Any proposed change to law, policy, regula-
21 tion, or organization that the Secretary considers de-
22 sirable, and determines feasible to implement, for
23 ensuring that the program managers are fully re-
24 sponsible under the pilot programs for the perform-
25 ance of all such responsibilities.

1 **SEC. 811. SCOPE OF PROTECTION OF CERTAIN INFORMA-**
2 **TION FROM DISCLOSURE.**

3 Section 2371(i)(2)(A) of title 10, United States Code,
4 is amended by striking out “cooperative agreement that
5 includes a clause described in subsection (d)” and insert-
6 ing in lieu thereof “cooperative agreement for performance
7 of basic, applied, or advanced research authorized by sec-
8 tion 2358 of this title”.

9 **TITLE IX—DEPARTMENT OF DE-**
10 **FENSE ORGANIZATION AND**
11 **MANAGEMENT**

12 **SEC. 901. REDUCTION IN NUMBER OF ASSISTANT SEC-**
13 **RETARY OF DEFENSE POSITIONS.**

14 (a) NINE POSITIONS.—Section 138(a) of title 10,
15 United States Code, is amended by striking out “ten” and
16 insert in lieu thereof “nine”.

17 (b) CONFORMING AMENDMENT.—The item relating
18 to the Assistant Secretaries of Defense in section 5315
19 of title 5, United States Code, is amended to read as fol-
20 lows:

21 “Assistant Secretaries of Defense (9).”.

1 **SEC. 902. RENAMING OF POSITION OF ASSISTANT SEC-**
2 **RETARY OF DEFENSE FOR COMMAND, CON-**
3 **TROL, COMMUNICATIONS, AND INTEL-**
4 **LIGENCE.**

5 Section 138(b)(3) of title 10, United States Code is
6 amended to read as follows:

7 “(3) One of the Assistant Secretaries shall be the As-
8 sistant Secretary of Defense for Space and Information
9 Superiority. The Assistant Secretary—

10 “(A) shall have as his principal duty the overall
11 supervision of the functions of the Department of
12 Defense that relate to space, intelligence, informa-
13 tion security, information operations, command, con-
14 trol, communications, computers, surveillance, recon-
15 naissance, and electromagnetic spectrum; and

16 “(B) shall be the Chief Information Officer of
17 the Department of Defense.”.

18 **SEC. 903. AUTHORITY TO EXPAND THE NATIONAL DE-**
19 **FENSE UNIVERSITY.**

20 Section 2165(b) of title 10, United States Code, is
21 amended by adding at the end the following:

22 “(7) Any other educational institution of the
23 Department of Defense that the Secretary considers
24 appropriate and designates as an institution of the
25 university.”.

1 **SEC. 904. REDUCTION IN DEPARTMENT OF DEFENSE**
2 **HEADQUARTERS STAFF.**

3 (a) REDUCTION REQUIRED.—(1) The Secretary of
4 Defense shall reduce the number of Federal Government
5 employees and members of the Armed Forces on the head-
6 quarters staffs of Department of Defense organizations in
7 accordance with this section. The Secretary shall achieve
8 the required reductions not later than September 30,
9 2003.

10 (2) The total number of Federal Government employ-
11 ees and members of the Armed Forces on the head-
12 quarters staffs of all organizations within a category of
13 organizations described in paragraph (4) shall be reduced
14 below the baseline number for the category by the percent-
15 age specified for the category in that paragraph. In the
16 administration of this section, the number of employees
17 employed on a basis other than a full time basis shall be
18 converted to, and expressed as, the equivalent number of
19 full time employees.

20 (3) For the purposes of this subsection, the baseline
21 number for the organizations in a category is the total
22 number of Federal Government employees and members
23 of the Armed Forces on the headquarters staffs of those
24 organizations on October 1, 1996.

1 (4) The categories of organizations, and the percent-
2 ages applicable under paragraph (1) to the organizations
3 in such categories, are as follows:

4 (A) The Office of the Secretary of Defense and
5 associated activities, a reduction of 33 percent.

6 (B) Defense agencies, a reduction of 21 per-
7 cent.

8 (C) Department of Defense field activities and
9 other operating organizations reporting to the Office
10 of the Secretary of Defense, a reduction of 36 per-
11 cent.

12 (D) The Joint Staff and associated activities, a
13 reduction of 29 percent.

14 (E) The headquarters of the combatant com-
15 mands and associated activities, a reduction of 7
16 percent.

17 (F) Other headquarters elements (including the
18 headquarters of the military departments and their
19 major commands) and associated activities, a reduc-
20 tion of 29 percent.

21 (b) LIMITED RELIEF FROM PROHIBITION ON MAN-
22 AGING BY END-STRENGTH.—(1) The Secretary may waive
23 the requirements and restrictions of section 129 of title
24 10, United States Code, for an organization or activity
25 covered by subsection (a) to the extent that the Secretary

1 determines necessary to achieve the personnel reductions
2 required by that subsection.

3 (2) Not later than 30 days after exercising the waiver
4 authority under paragraph (1) in the case of an organiza-
5 tion or activity, the Secretary shall notify the congres-
6 sional defense committees of the scope and duration of the
7 waiver and the reasons for granting the waiver.

8 (c) MANAGEMENT BY BUDGET.—(1) The Secretary
9 shall waive the requirement under subsection (a) to reduce
10 the number of personnel on the headquarters staff of an
11 organization or activity if the Secretary determines that
12 the budget authority available for the organization or ac-
13 tivity for fiscal year 2003 has been reduced below the
14 budget authority available for the organization or activity
15 for fiscal year 1996 by at least the percentage equal to
16 one-fifth of the percentage specified in subsection (a)(4)
17 for the category of the organization or activity.

18 (2) In this subsection, the term “budget authority”
19 has the meaning given that term in section 3(2)(A) of the
20 Congressional Budget Act of 1974 (2 U.S.C. 622(2)(A)).

21 (d) JOINT AND DEFENSE-WIDE ACTIVITIES.—If the
22 Secretary consolidates functions in a Department of De-
23 fense-wide or joint organization or activity described in
24 subparagraph (A), (B), (C), (D), or (E) of subsection
25 (a)(4) in order to meet the requirement for reduction in

1 the personnel of the other headquarters (including the
2 headquarters of the military departments and their major
3 commands) referred to in subparagraph (F) of such sub-
4 section, the Secretary may apply to that organization or
5 activity, instead of the percentage that would otherwise
6 apply under such subsection, a lesser percentage that is
7 appropriate to reflect the increased responsibilities of the
8 organization or activity.

9 (e) REPORT.—Not later than March 1, 1999, the
10 Secretary of Defense shall submit to the congressional de-
11 fense committees a report containing a plan to implement
12 the personnel reductions required by this section.

13 (f) CATEGORIES DEFINED.—In this section:

14 (1) The term “Office of the Secretary of De-
15 fense and associated activities” means the following
16 organizations and activities:

17 (A) The Office of the Secretary of Defense,
18 as defined in section 131 of title 10, United
19 States Code.

20 (B) The defense support activities that
21 perform technical and analytical support for the
22 Office of the Secretary of Defense.

23 (2) The term “defense agencies” means the fol-
24 lowing organizations and activities:

1 (A) The Ballistic Missile Defense Organi-
2 zation.

3 (B) The Defense Advanced Research
4 Projects Agency.

5 (C) The Defense Commissary Agency.

6 (D) The Defense Contract Audit Agency.

7 (E) The Defense Finance and Accounting
8 Services.

9 (F) The Defense Information Systems
10 Agency.

11 (G) The Defense Legal Services Agency.

12 (H) The Defense Logistics Agency.

13 (I) The Defense Security Assistance Agen-
14 cy.

15 (J) The Defense Security Service.

16 (K) The Defense Special Weapons Agency.

17 (L) The On-Site Inspection Agency.

18 (M) The Treaty Compliance and Threat
19 Reduction Agency.

20 (3) The term “Department of Defense field ac-
21 tivities and other operating organizations reporting
22 to the Office of the Secretary of Defense” means the
23 following organizations and activities:

24 (A) The American Forces Information
25 Service.

1 (B) The TRICARE Support Office.

2 (C) The Office of Economic Adjustment.

3 (D) The Department of Defense Education
4 Activity.

5 (E) Washington Headquarters Services.

6 (F) The Department of Defense Human
7 Resources Activity.

8 (G) The Defense Prisoner of War/Missing
9 Personnel Office.

10 (H) The Defense Medical Programs Activ-
11 ity.

12 (I) The Defense Technology Security Ad-
13 ministration.

14 (J) The C4I Support Activity.

15 (K) The Plans and Program Analysis Sup-
16 port Center.

17 (L) The Defense Airborne Reconnaissance
18 Office.

19 (M) The Defense Acquisition University.

20 (N) The Director of Military Support.

21 (O) The Defense Technical Information
22 Center.

23 (P) The National Defense University.

1 (4) The term “Joint Staff and associated activi-
2 ties” means the following organizations and activi-
3 ties:

4 (A) The Joint Staff referred to in section
5 155 of title 10, United States Code.

6 (B) Department of Defense activities that
7 are controlled by the Chairman of the Joint
8 Chiefs of Staff and report directly to the Joint
9 Staff.

10 (5) The term “headquarters of the combatant
11 commands” means the headquarters of the combat-
12 ant commands, as defined in section 161(c)(3) of
13 title 10, United States Code.

14 (6) The term “other headquarters elements (in-
15 cluding the headquarters of the military departments
16 and their major commands)” means the following
17 organizations and activities:

18 (A) The military department headquarters
19 listed and defined in Department of Defense
20 Directive 5100.73, “Department of Defense
21 Management Headquarters and Headquarters
22 Support Activities”, as in effect on November
23 12, 1996.

24 (B) Other military headquarters elements
25 defined in such directive that are not otherwise

1 covered by paragraphs (1), (2), (3), (4), and
2 (5).

3 (g) REPEAL OF SUPERSEDED PROVISIONS.—(1) Sec-
4 tions 130a and 194 of title 10, United States Code, are
5 repealed.

6 (2)(A) The table of sections at the beginning of chap-
7 ter 3 of such title is amended by striking out the item
8 relating to section 130a.

9 (B) The table of sections at the beginning of chapter
10 8 of such title is amended by striking out the item relating
11 to section 194.

12 **SEC. 905. PERMANENT REQUIREMENT FOR QUADRENNIAL**
13 **DEFENSE REVIEW.**

14 (a) REVIEW REQUIRED.—Chapter 2 of title 10,
15 United States Code, is amended by inserting after section
16 116 the following:

17 **“§ 117. Quadrennial defense review**

18 **“(a) REVIEW REQUIRED.—**The Secretary of Defense,
19 in consultation with the Chairman of the Joint Chiefs of
20 Staff, shall conduct in each year in which a President is
21 inaugurated a comprehensive examination of the defense
22 strategy, force structure, force modernization plans, infra-
23 structure, budget plan, and other elements of the defense
24 program and policies with a view toward determining and
25 expressing the defense strategy of the United States and

1 establishing a revised defense plan for the ensuing 10
2 years and a revised defense plan for the ensuing 20 years.

3 “(b) CONSIDERATION OF REPORTS OF NATIONAL
4 DEFENSE PANEL.—In conducting the review, the Sec-
5 retary shall take into consideration the reports of the Na-
6 tional Defense Panel submitted under section 181(d) of
7 this title.

8 “(c) REPORT TO CONGRESS.—The Secretary shall
9 submit a report on each review to the Committee on
10 Armed Services of the Senate and the Committee on Na-
11 tional Security of the House of Representatives not later
12 than September 30 of the year in which the review is con-
13 ducted. The report shall include the following:

14 “(1) The results of the review, including a com-
15 prehensive discussion of the defense strategy of the
16 United States and the force structure best suited to
17 implement that strategy.

18 “(2) The threats examined for purposes of the
19 review and the scenarios developed in the examina-
20 tion of such threats.

21 “(3) The assumptions used in the review, in-
22 cluding assumptions relating to the cooperation of
23 allies and mission-sharing, levels of acceptable risk,
24 warning times, and intensity and duration of con-
25 flict.

1 “(4) The effect on the force structure of prep-
2 arations for and participation in peace operations
3 and military operations other than war.

4 “(5) The effect on the force structure of the
5 utilization by the Armed Forces of technologies an-
6 ticipated to be available for the ensuing 10 years
7 and technologies anticipated to be available for the
8 ensuing 20 years, including precision guided muni-
9 tions, stealth, night vision, digitization, and commu-
10 nications, and the changes in doctrine and oper-
11 ational concepts that would result from the utiliza-
12 tion of such technologies.

13 “(6) The manpower and sustainment policies
14 required under the defense strategy to support en-
15 gagement in conflicts lasting more than 120 days.

16 “(7) The anticipated roles and missions of the
17 reserve components in the defense strategy and the
18 strength, capabilities, and equipment necessary to
19 assure that the reserve components can capably dis-
20 charge those roles and missions.

21 “(8) The appropriate ratio of combat forces to
22 support forces (commonly referred to as the “tooth-
23 to-tail” ratio) under the defense strategy, including,
24 in particular, the appropriate number and size of

1 headquarter units and Defense Agencies for that
2 purpose.

3 “(9) The air-lift and sea-lift capabilities re-
4 quired to support the defense strategy.

5 “(10) The forward presence, pre-positioning,
6 and other anticipatory deployments necessary under
7 the defense strategy for conflict deterrence and ade-
8 quate military response to anticipated conflicts.

9 “(11) The extent to which resources must be
10 shifted among two or more theaters under the de-
11 fense strategy in the event of conflict in such thea-
12 ters.

13 “(12) The advisability of revisions to the Uni-
14 fied Command Plan as a result of the defense strat-
15 egy.

16 “(13) Any other matter the Secretary considers
17 appropriate.”.

18 (b) NATIONAL DEFENSE PANEL.—Chapter 7 of such
19 title is amended by adding at the end the following:

20 **“§ 181. National Defense Panel**

21 “(a) ESTABLISHMENT.—Not later than January 1 of
22 each year immediately preceding a year in which a Presi-
23 dent is to be inaugurated, the Secretary of Defense shall
24 establish a nonpartisan, independent panel to be known

1 as the National Defense Panel. The Panel shall have the
2 duties set forth in this section.

3 “(b) MEMBERSHIP.—The Panel shall be composed of
4 a chairman and eight other individuals appointed by the
5 Secretary, in consultation with the chairman and ranking
6 member of the Committee on Armed Services of the Sen-
7 ate and the chairman and ranking member of the Commit-
8 tee on National Security of the House of Representatives,
9 from among individuals in the private sector who are rec-
10 ognized experts in matters relating to the national security
11 of the United States.

12 “(c) DUTIES.—The Panel shall—

13 “(1) conduct and submit to the Secretary of
14 Defense and to the Committee on Armed Services of
15 the Senate and the Committee on National Security
16 of the House of Representatives a comprehensive as-
17 sessment of the defense strategy, force structure,
18 force modernization plans, infrastructure, budget
19 plan, and other elements of the defense program and
20 policies with a view toward recommending a defense
21 strategy of the United States and a revised defense
22 plan for the ensuing 10 years and a revised defense
23 plan for the ensuing 20 years; and

1 “(2) identify issues that the Panel recommends
2 for assessment during the next review to be con-
3 ducted under section 117 of this title.

4 “(d) REPORT.—(1) The Panel, in the year that it is
5 conducting an assessment under subsection (c), shall sub-
6 mit to the Secretary of Defense and to the Committee on
7 Armed Services of the Senate and the Committee on Na-
8 tional Security of the House of Representatives two re-
9 ports on its activities and the findings and recommenda-
10 tions of the Panel, including any recommendations for leg-
11 islation that the Panel considers appropriate, as follows:

12 “(A) An interim report not later than July 1 of
13 the year.

14 “(B) A final report not later than December 1
15 of the year.

16 “(2) Not later than December 15 of the year in which
17 the Secretary receive a final report under paragraph
18 (1)(B), the Secretary shall submit to the committees re-
19 ferred to in subsection (b) a copy of the report together
20 with the Secretary’s comments on the report.

21 “(e) INFORMATION FROM FEDERAL AGENCIES.—
22 The Panel may secure directly from the Department of
23 Defense and any of its components and from any other
24 Federal department and agency such information as the
25 Panel considers necessary to carry out its duties under

1 this section. The head of the department or agency con-
2 cerned shall ensure that information requested by the
3 Panel under this subsection is promptly provided.

4 “(f) PERSONNEL MATTERS.—(1) Each member of
5 the Panel shall be compensated at a rate equal to the daily
6 equivalent of the annual rate of basic pay prescribed for
7 level IV of the Executive Schedule under section 5315 of
8 title 5 for each day (including travel time) during which
9 the member is engaged in the performance of the duties
10 of the Panel.

11 “(2) The members of the Panel shall be allowed travel
12 expenses, including per diem in lieu of subsistence, at
13 rates authorized for employees of agencies under sub-
14 chapter I of chapter 57 of title 5 while away from their
15 homes or regular places of business in the performance
16 of services for the Panel.

17 “(3)(A) The chairman of the Panel may, without re-
18 gard to the civil service laws and regulations, appoint and
19 terminate an executive director and a staff if the Panel
20 determines that an executive director and staff are nec-
21 essary in order for the Panel to perform its duties effec-
22 tively. The employment of an executive director shall be
23 subject to confirmation by the Panel.

24 “(B) The chairman may fix the compensation of the
25 executive director without regard to the provisions of

1 chapter 51 and subchapter III of chapter 53 of title 5 re-
2 lating to classification of positions and General Schedule
3 pay rates, except that the rate of pay for the executive
4 director may not exceed the rate payable for level V of
5 the Executive Schedule under section 5316 of such title.

6 “(4) Any Federal Government employee may be de-
7 tailed to the Panel without reimbursement of the employ-
8 ee’s agency, and such detail shall be without interruption
9 or loss of civil service status or privilege. The Secretary
10 shall ensure that sufficient personnel are detailed to the
11 Panel to enable the Panel to carry out its duties effec-
12 tively.

13 “(5) To the maximum extent practicable, the mem-
14 bers and employees of the Panel shall travel on military
15 aircraft, military ships, military vehicles, or other military
16 conveyances when travel is necessary in the performance
17 of a duty of the Panel, except that no such aircraft, ship,
18 vehicle, or other conveyance may be scheduled primarily
19 for the transportation of any such member or employee
20 when the cost of commercial transportation is less expen-
21 sive.

22 “(g) ADMINISTRATIVE PROVISIONS.—(1) The Panel
23 may use the United States mails and obtain printing and
24 binding services in the same manner and under the same

1 conditions as other departments and agencies of the Fed-
2 eral Government.

3 “(2) The Secretary shall furnish the Panel any ad-
4 ministrative and support services requested by the Panel.

5 “(3) The Panel may accept, use, and dispose of gifts
6 or donations of services or property.

7 “(h) PAYMENT OF PANEL EXPENSES.—The com-
8 pensation, travel expenses, and per diem allowances of
9 members and employees of the Panel shall be paid out of
10 funds available to the Department of Defense for the pay-
11 ment of compensation, travel allowances, and per diem al-
12 lowances, respectively, of civilian employees of the Depart-
13 ment. The other expenses of the Panel shall be paid out
14 of funds available to the Department for the payment of
15 similar expenses incurred by the Department.

16 “(i) TERMINATION.—The Panel shall terminate at
17 the end of the year following the year in which the Panel
18 submits its final report under subsection (d)(1)(B). For
19 the period that begins 90 days after the date of submittal
20 of the report, the activities and staff of the panel shall
21 be reduced to a level that the Secretary of Defense consid-
22 ers sufficient to continue the availability of the panel for
23 consultation with the Secretary of Defense and with the
24 Committee on Armed Services of the Senate and the Com-

1 mittee on National Security of the House of Representa-
 2 tives.”.

3 (c) CLERICAL AMENDMENTS.—(1) The table of sec-
 4 tions at the beginning of chapter 2 of title 10, United
 5 States Code, is amended by inserting after the item relat-
 6 ing to section 116 the following:

“117. Quadrennial defense review.”.

7 (2) The table of sections at the beginning of chapter
 8 7 of such title is amended by adding at the end the follow-
 9 ing:

“181. National Defense Panel.”.

10 (d) CONTINUATION OF 1997 NATIONAL DEFENSE
 11 PANEL.—Section 924(j) of the Military Force Structure
 12 Review Act of 1996 (subtitle B of title IX of Public Law
 13 104–201; 110 Stat. 2626; 10 U.S.C. 111 note) is amended
 14 to read as follows:

15 “(j) TERMINATION.—The Panel shall continue until
 16 the first National Defense Panel is established under sec-
 17 tion 181(a) of title 10, United States Code, and shall then
 18 terminate. The activities and staff of the panel shall be
 19 reduced to a level that the Secretary of Defense considers
 20 sufficient to continue the availability of the panel for con-
 21 sultation with the Secretary of Defense and with the Com-
 22 mittee on Armed Services of the Senate and the Commit-
 23 tee on National Security of the House of Representa-
 24 tives.”.

1 **SEC. 906. MANAGEMENT REFORM FOR RESEARCH, DEVEL-**
2 **OPMENT, TEST, AND EVALUATION.**

3 (a) REQUIREMENTS FOR ANALYSIS AND PLAN.—(1)

4 The Secretary of Defense, acting through the Under Sec-
5 retary of Defense for Acquisition and Technology, shall
6 analyze the structures and processes of the Department
7 of Defense for management of its laboratories and test
8 and evaluation centers and, taking into consideration the
9 analysis, develop a plan for improving the management of
10 the laboratories and centers. The plan shall include the
11 reorganizations and reforms that the Secretary considers
12 appropriate.

13 (2) The analysis shall include the following:

14 (A) Opportunities to achieve efficiency and re-
15 duce duplication of efforts by consolidating respon-
16 sibilities for research, development, test, and evalua-
17 tion, by area or function, in a military department
18 as a lead agency or executive agent.

19 (B) Reforms of the management processes of
20 Department of Defense laboratories and test and
21 evaluation centers that would reduce costs and in-
22 crease efficiency in the conduct of research, develop-
23 ment, test, and evaluation.

24 (C) Opportunities for Department of Defense
25 laboratories and test and evaluation centers to enter
26 into partnership arrangements with laboratories in

1 industry, academia, and other Federal agencies that
2 demonstrate leadership, initiative, and innovation in
3 research, development, test, and evaluation.

4 (D) The benefits of consolidating test ranges
5 and test facilities under one management structure.

6 (E) Personnel demonstration projects and pilot
7 projects that are being carried out to address the
8 challenges for and constraints on recruitment and
9 retention of scientists and engineers.

10 (F) The extent to which there is disseminated
11 within the Department of Defense laboratories and
12 test and evaluation centers information regarding
13 initiatives that have successfully improved efficiency
14 through reform of management processes and other
15 means.

16 (G) Any cost savings that can be derived di-
17 rectly from reorganization of management struc-
18 tures.

19 (H) Options for reinvesting any such cost sav-
20 ings in the Department of Defense laboratories and
21 test and evaluation centers.

22 (3) The Secretary shall submit the plan required
23 under paragraph (1) to the congressional defense commit-
24 tees not later than 180 days after the date of the enact-
25 ment of this Act.

1 (b) COST-BASED MANAGEMENT INFORMATION SYS-
2 TEM.—(1) The Secretary of Defense shall develop a plan,
3 including a schedule, for establishing a cost-based man-
4 agement information system for Department of Defense
5 laboratories and test and evaluation centers. The system
6 shall provide for accurately identifying and comparing the
7 costs of operating each laboratory and each center.

8 (2) In preparing the plan, the Secretary shall assess
9 the feasibility and desirability of establishing a common
10 methodology for assessing costs. The Secretary shall con-
11 sider the use of a revolving fund as one potential meth-
12 odology.

13 (3) The Secretary shall submit the plan required
14 under paragraph (1) to the congressional defense commit-
15 tees not later than 90 days after the date of the enactment
16 of this Act.

17 **SEC. 907. RESTRUCTURING OF ADMINISTRATION OF FISH-**
18 **ER HOUSES.**

19 (a) ADMINISTRATION AS NONAPPROPRIATED FUND
20 INSTRUMENTALITY.—(1) Chapter 147 of title 10, United
21 States Code, is amended by adding at the end the follow-
22 ing:

1 **“§ 2490b. Fisher Houses: administration as non-**
 2 **appropriated fund instrumentality**

3 “(a) FISHER HOUSES AND SUITES.—(1) For the
 4 purposes of this section, a Fisher House is a housing facil-
 5 ity that—

6 “(A) is located in proximity to a health care fa-
 7 cility of the Army, the Air Force, or the Navy;

8 “(B) is available for residential use on a tem-
 9 porary basis by patients of that health care facility,
 10 members of the families of such patients, and others
 11 providing the equivalent of familial support for such
 12 patients; and

13 “(C) has been constructed and donated by—

14 “(i) the Zachary and Elizabeth M. Fisher
 15 Armed Services Foundation; or

16 “(ii) another source, if the Secretary des-
 17 ignates the housing facility as a Fisher House.

18 “(2) For the purposes of this section, a Fisher Suite
 19 is one or more rooms that meet the requirements of sub-
 20 paragraph (A) and (B) of paragraph (1), are constructed,
 21 altered, or repaired and donated by a source described in
 22 subparagraph (C) of that paragraph, and are designated
 23 by the Secretary concerned as a Fisher Suite.

24 “(b) NONAPPROPRIATED FUND INSTRUMENTAL-
 25 ITY.—The Secretary of a military department shall admin-
 26 ister all Fisher Houses and Fisher Suites associated with

1 health care facilities of that military department as a non-
2 appropriated fund instrumentality of the United States.

3 “(c) GOVERNANCE.—The Secretary shall establish a
4 system for the governance of the nonappropriated fund in-
5 strumentality.

6 “(d) CENTRAL FUND.—The Secretary shall establish
7 a single fund as the source of funding for the operation,
8 maintenance, and improvement of all Fisher Houses and
9 Fisher Suites of the nonappropriated fund instrumental-
10 ity.

11 “(e) ACCEPTANCE OF CONTRIBUTIONS AND FEES.—
12 The Secretary of a military department may accept
13 money, property, and services donated for the support of
14 a Fisher House or Fisher Suite, and may impose fees re-
15 lating to the use of the Fisher Houses and Fisher Suites.
16 All monetary donations, and the proceeds of the disposal
17 of any other donated property, accepted by the Secretary
18 under this subsection shall be credited to the fund estab-
19 lished under subsection (d) for the Fisher Houses and
20 Fisher Suites of that military department and shall be
21 available for all Fisher Houses and Fisher Suites of that
22 military department.

23 “(f) ANNUAL REPORT.—Not later than January 15
24 of each year, the Secretary of each military department
25 shall submit a report on Fisher House operations to the

1 Committee on Armed Services of the Senate and the Com-
 2 mittee on National Security of the House of Representa-
 3 tives. The report shall include, at a minimum, the follow-
 4 ing:

5 “(1) The amount in the fund established by the
 6 Secretary for the Fisher Houses and Fisher Suites
 7 under subsection (d), as of October 1 of the previous
 8 year.

9 “(2) The operation of the fund during the fiscal
 10 year ending on the day before that date, including—

11 “(A) all gifts, fees, and interest credited to
 12 the fund; and

13 “(B) the disbursements from the fund.

14 “(3) The budget for the operation of the Fisher
 15 Houses and Fisher Suites for the fiscal year in
 16 which the report is submitted.”.

17 (2) The table of sections at the beginning of such
 18 chapter is amended by adding at the end the following:

“2490b. Fisher Houses: administration as nonappropriated fund instrumental-
 ity.”.

19 (b) FUNDING TRANSITION.—(1) Not later than 90
 20 days after the date of the enactment of this Act the Sec-
 21 retary of each military department shall—

22 (A) establish the fund required under section
 23 2490b(d) of title 10, United States Code (as added
 24 by subsection (a)); and

1 (B) close the Fisher House trust fund for that
2 department and transfer the amounts in the closed
3 fund to the newly established fund.

4 (2) Of the amounts appropriated for the Navy pursu-
5 ant to section 301, the Secretary of the Navy shall trans-
6 fer to the fund established by the Secretary under section
7 2490b(d) of title 10, United States Code (as added by sub-
8 section (a)) such amount as the Secretary considers appro-
9 priate for establishing in the fund a corpus sufficient for
10 operating Fisher Houses and Fisher Suites of the Navy.

11 (3) Of the amounts appropriated for the Air Force
12 pursuant to section 301, the Secretary of the Air Force
13 shall transfer to the fund established by the Secretary
14 under section 2490b(d) of title 10, United States Code
15 (as added by subsection (a)) such amount as the Secretary
16 considers appropriate for establishing in the fund a corpus
17 sufficient for operating Fisher Houses and Fisher Suites
18 of the Air Force.

19 (4) The Secretary of each military department, upon
20 completing the actions required of the Secretary under the
21 preceding paragraphs of this subsection, shall submit to
22 Congress a report containing—

23 (A) the Secretary's certification that those ac-
24 tions have been completed; and

1 (B) a statement of the amount deposited in the
2 newly established fund.

3 (5) Amounts transferred to a fund established under
4 section 2490b(d) of title 10, United States Code (as added
5 by subsection (a)), shall be available without fiscal year
6 limitation for the purposes for which the fund is estab-
7 lished and shall be administered as nonappropriated
8 funds.

9 (c) CONFORMING REPEALS.—(1) Section 2221 of
10 title 10, United States Code, and the item relating to that
11 section in the table of sections at the beginning of chapter
12 131 of such title, are repealed.

13 (2) Section 1321(a) of title 31, United States Code,
14 is amended by striking out paragraphs (92), (93), and
15 (94).

16 (3) The amendments made by paragraphs (1) and (2)
17 shall take effect 90 days after the date of the enactment
18 of this Act.

19 **TITLE X—GENERAL PROVISIONS**

20 **Subtitle A—Financial Matters**

21 **SEC. 1001. TRANSFER AUTHORITY.**

22 (a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—
23 (1) Upon determination by the Secretary of Defense that
24 such action is necessary in the national interest, the Sec-
25 retary may transfer amounts of authorizations made avail-

1 able to the Department of Defense in this division for fis-
2 cal year 1999 between any such authorizations for that
3 fiscal year (or any subdivisions thereof). Amounts of au-
4 thorizations so transferred shall be merged with and be
5 available for the same purposes as the authorization to
6 which transferred.

7 (2) The total amount of authorizations that the Sec-
8 retary may transfer under the authority of this section
9 may not exceed \$2,000,000,000.

10 (b) LIMITATIONS.—The authority provided by this
11 section to transfer authorizations—

12 (1) may only be used to provide authority for
13 items that have a higher priority than the items
14 from which authority is transferred; and

15 (2) may not be used to provide authority for an
16 item that has been denied authorization by Con-
17 gress.

18 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A
19 transfer made from one account to another under the au-
20 thority of this section shall be deemed to increase the
21 amount authorized for the account to which the amount
22 is transferred by an amount equal to the amount trans-
23 ferred.

1 (d) NOTICE TO CONGRESS.—The Secretary shall
2 promptly notify Congress of each transfer made under
3 subsection (a).

4 **SEC. 1002. AUTHORIZATION OF EMERGENCY APPROPRIA-**
5 **TIONS FOR FISCAL YEAR 1999.**

6 (a) AUTHORIZATION OF APPROPRIATIONS.—Funds
7 are hereby authorized to be appropriated for the Depart-
8 ment of Defense for fiscal year 1999 for incremental costs
9 of operations of the Armed Forces in and around Bosnia
10 and Herzegovina in the total amount of \$1,858,600,000,
11 as follows:

12 (1) For military personnel, in addition to the
13 amounts authorized to be appropriated in title IV of
14 this Act:

15 (A) For the Army, \$297,700,000.

16 (B) For the Navy, \$9,700,000.

17 (C) For the Marine Corps, \$2,700,000.

18 (D) For the Air Force, \$33,900,000.

19 (E) For the Naval Reserve, \$2,200,000.

20 (2) For operation and maintenance for the
21 Overseas Contingency Operations Transfer Fund, in
22 addition to the total amount authorized to be appro-
23 priated for that fund in section 301(a)(25) of this
24 Act, \$1,512,400,000.

1 (b) TRANSFER AUTHORITY.—Upon determination by
 2 the Secretary of Defense that such action is necessary in
 3 the national interest, the Secretary may transfer amounts
 4 of authorizations made available to the Department of De-
 5 fense in subsection (a)(2) for fiscal year 1999 to any of
 6 the authorizations for that fiscal year in section 301.
 7 Amounts of authorizations so transferred shall be merged
 8 with and be available for the same purposes as the author-
 9 ization to which transferred. The transfer authority under
 10 this subsection is in addition to any other transfer author-
 11 ity provided in this Act.

12 (c) DESIGNATION AS EMERGENCY.—Funds author-
 13 ized to be appropriated in accordance with subsection (a)
 14 are designated as emergency requirements pursuant to
 15 section 251(b)(2)(A) of the Balanced Budget and Emer-
 16 gency Deficit Control Act of 1985.

17 **SEC. 1003. AUTHORIZATION OF PRIOR EMERGENCY SUP-**
 18 **PLEMENTAL APPROPRIATIONS FOR FISCAL**
 19 **YEAR 1998.**

20 Amounts authorized to be appropriated to the De-
 21 partment of Defense for fiscal year 1998 in the National
 22 Defense Authorization Act for Fiscal Year 1998 (Public
 23 Law 105–85) are hereby adjusted, with respect to any
 24 such authorized amount, by the amount by which appro-
 25 priations pursuant to such authorization were increased

1 (by a supplemental appropriation) or decreased (by a re-
 2 scission), or both, in the 1998 Supplemental Appropria-
 3 tions and Rescissions Act (Public Law 105–174).

4 **SEC. 1004. PARTNERSHIP FOR PEACE INFORMATION SYS-**
 5 **TEM MANAGEMENT.**

6 Funds authorized to be appropriated under titles II
 7 and III of this Act shall be available for Partnership for
 8 Peace information management systems as follows:

9 (1) Of the amount authorized to be appro-
 10 priated under section 201(4) for Defense-wide activi-
 11 ties, \$2,000,000.

12 (2) Of the amount authorized to be appro-
 13 priated under section 301 for Defense-wide activi-
 14 ties, \$3,000,000.

15 **Subtitle B—Naval Vessels**

16 **SEC. 1011. IOWA CLASS BATTLESHIP RETURNED TO NAVAL**
 17 **VESSEL REGISTER.**

18 The U.S.S. Iowa shall be listed, and maintained, on
 19 the Naval Vessel Register under section 1011 of the Na-
 20 tional Defense Authorization Act for Fiscal Year 1996
 21 (Public Law 104–106; 110 Stat. 421) instead of the
 22 U.S.S. New Jersey, which shall be stricken from the reg-
 23 ister. The preceding sentence does not affect the continued
 24 effectiveness of subsection (d) of such section.

1 **SEC. 1012. LONG-TERM CHARTER OF THREE VESSELS IN**
2 **SUPPORT OF SUBMARINE RESCUE, ESCORT,**
3 **AND TOWING.**

4 (a) **AUTHORITY.**—The Secretary of the Navy may
5 enter into one or more long-term charters in accordance
6 with section 2401 of title 10, United States Code, for
7 three vessels to support the rescue, escort, and towing of
8 submarines.

9 (b) **VESSELS AND PERIODS.**—The vessels that may
10 be chartered, and the periods for which the vessels may
11 be chartered, under subsection (a) are as follows:

12 (1) The Carolyn Chouest (United States official
13 number D102057), for any period that ends before
14 October 1, 2012.

15 (2) The Kellie Chouest (United States official
16 number D1038519), for any period that ends before
17 October 1, 2005.

18 (3) The Dolores Chouest (United States official
19 number D600288), for any period that ends before
20 October 1, 2005.

21 (c) **CONDITION ON CHARTER OF ONE VESSEL.**—The
22 charter for the Carolyn Chouest shall include a clause that
23 permits the United States to terminate the charter for the
24 convenience of the United States without any liability for
25 further payment (other than for unpaid amounts due
26 under the charter for periods before the date of the termi-

1 nation) in the event that the need for the vessel under
 2 the charter terminates before the end of the charter period
 3 by reason of the decommissioning of a submarine research
 4 vessel supported under the charter.

5 **SEC. 1013. TRANSFERS OF NAVAL VESSELS TO FOREIGN**
 6 **COUNTRIES.**

7 (a) TRANSFERS BY GRANT.—The Secretary of the
 8 Navy is authorized to transfer vessels to foreign countries
 9 on a grant basis under section 516 of the Foreign Assist-
 10 ance Act of 1961 (22 U.S.C. 2321j) as follows:

11 (1) The tank landing ship Newport (LST
 12 1179).

13 (2) The civilian crewed ocean surveillance ship
 14 Assurance (T-AGOS 5).

15 (3) The frigates Hepburn (FF 1055), W.S.
 16 Simms (FF 1059), Paul (FF 1080), and Miller (FF
 17 1091).

18 (b) TRANSFERS BY SALE.—The Secretary of the
 19 Navy is authorized to transfer vessels to foreign countries
 20 on a sales basis under section 21 of the Arms Export Con-
 21 trol Act (22 U.S.C. 2761) as follows:

22 (1) The guided missile frigates Duncan (FFG
 23 10), Tisdale (FFG 27), and Reid (FFG 30).

24 (2) The dock landing ship Pensacola (LSD 38).

1 (3) The medium floating drydock Competent
2 (AFDM 6).

3 (4) The tank landing ship Peoria (LST 1183).

4 (5) The civilian crewed ocean surveillance ship
5 Triumph (T-AGOS 4).

6 (6) The drydocks Waterford (ARD 5) and
7 Alamagordo (ARDM 2).

8 (7) The unnamed medium floating drydock
9 bearing hull number AFDM 2.

10 (8) The auxiliary repair dock San Onofre (ARD
11 30).

12 (c) TRANSFERS BY LEASE OR SALE.—The Secretary
13 of the Navy is authorized to transfer vessels to foreign
14 countries on a lease basis under section 61 of the Arms
15 Export Control Act (22 U.S.C. 2796) or on a sales basis
16 under section 21 of the Arms Export Control Act (22
17 U.S.C. 2761) as follows:

18 (1) The guided missile destroyers Kidd (DDG
19 993), Callaghan (DDG 994), Scott (DDG 995) and
20 Chandler (DDG 996).

21 (2) The fleet oiler Merrimack (AO 179).

22 (d) FINANCING FOR TRANSFERS BY LEASE.—Section
23 23 of the Arms Export Control Act (22 U.S.C. 2763) may
24 be used to provide financing for any transfer by lease
25 under subsection (c) in the same manner as if such trans-

1 fer were a procurement by the recipient nation of a de-
2 fense article.

3 (e) COSTS OF TRANSFERS.—Any expense incurred by
4 the United States in connection with a transfer authorized
5 by subsection (a), (b), or (c) shall be charged to the recipi-
6 ent (notwithstanding section 516(e)(1) of the Foreign As-
7 sistance Act of 1961 (22 U.S.C. 2321j(e)(1)) in the case
8 of a transfer authorized under subsection (a)).

9 (f) REPAIR AND REFURBISHMENT IN UNITED
10 STATES SHIPYARDS.—The Secretary of the Navy shall re-
11 quire, as a condition of the transfer of a vessel under this
12 section, that the country to which the vessel is transferred
13 have such repair or refurbishment of the vessel as is need-
14 ed, before the vessel joins the naval forces of that country,
15 performed at a shipyard located in the United States, in-
16 cluding a United States Navy shipyard.

17 (g) EXPIRATION OF AUTHORITY.—The authority to
18 transfer vessels under this section shall expire at the end
19 of the two-year period beginning on the date of the enact-
20 ment of this Act, except that a lease entered into during
21 that period under any provision of subsection (c) may be
22 renewed.

1 **Subtitle C—Miscellaneous Report**
 2 **Requirements and Repeals**

3 **SEC. 1021. REPEAL OF REPORTING REQUIREMENTS.**

4 (a) REPORTS REQUIRED BY TITLE 10.—

5 (1) HEALTH AND MEDICAL CARE STUDIES AND
 6 DEMONSTRATIONS.—Section 1092(a) of title 10,
 7 United States Code, is amended by striking out
 8 paragraph (3).

9 (2) ANNUAL REPORT ON USE OF MONEY RENT-
 10 ALS FOR LEASES OF NON-EXCESS PROPERTY.—Sec-
 11 tion 2667(d) of title 10, United States Code, is
 12 amended—

13 (A) in paragraph (1)(A)(ii), by striking out
 14 “paragraph (4) or (5)” and inserting in lieu
 15 thereof “paragraph (3) or (4)”.

16 (B) by striking out paragraph (3); and

17 (C) by redesignating paragraphs (4) and
 18 (5) as paragraphs (3) and (4), respectively.

19 (b) REPORT REQUIRED BY MILITARY CONSTRUCTION
 20 AUTHORIZATION ACT.—Section 2819 of the National De-
 21 fense Authorization Act, Fiscal Year 1989 (Public Law
 22 100–456; 102 Stat. 2119; 10 U.S.C. 2391 note,), relating
 23 to the Commission on Alternative Utilization of Military
 24 Facilities, is amended—

1 (1) in subsection (a) by striking out “(a) ES-
2 TABLISHMENT OF COMMISSION.—”; and

3 (2) by striking out subsections (b) and (c).

4 **SEC. 1022. REPORT ON DEPARTMENT OF DEFENSE FINAN-**
5 **CIAL MANAGEMENT IMPROVEMENT PLAN.**

6 Not later than 60 days after the date on which the
7 Secretary of Defense submits the first biennial financial
8 management improvement plan required by section 2222
9 of title 10, United States Code, the Comptroller General
10 shall submit to Congress an analysis of the plan. The anal-
11 ysis shall include a discussion of the content of the plan
12 and the extent to which the plan—

13 (1) complies with the requirements of such sec-
14 tion 2222; and

15 (2) is a workable plan for addressing the finan-
16 cial management problems of the Department of De-
17 fense.

18 **SEC. 1023. FEASIBILITY STUDY OF PERFORMANCE OF DE-**
19 **PARTMENT OF DEFENSE FINANCE AND AC-**
20 **COUNTING FUNCTIONS BY PRIVATE SECTOR**
21 **SOURCES OR OTHER FEDERAL GOVERNMENT**
22 **SOURCES.**

23 (a) **STUDY REQUIRED.**—The Secretary of Defense
24 shall carry out a study of the feasibility and advisability
25 of selecting on a competitive basis the source or sources

1 for performing the finance and accounting functions of the
2 Department of Defense from among private sector
3 sources, the Defense Finance and Accounting Service of
4 the Department of Defense, the military departments, and
5 other Federal Government agencies.

6 (b) REPORT.—Not later than October 1, 1999, the
7 Secretary shall submit a written report on the results of
8 the study to Congress. The report shall include the follow-
9 ing:

10 (1) A discussion of how the finance and ac-
11 counting functions of the Department of Defense are
12 performed, including the necessary operations, the
13 operations actually performed, the personnel re-
14 quired for the operations, and the core competencies
15 that are necessary for the performance of those
16 functions.

17 (2) A comparison of the performance of the fi-
18 nance and accounting functions by the Defense Fi-
19 nance and Accounting Service with the performance
20 of finance and accounting functions by the other
21 sources referred to in subsection (a) that exemplify
22 the best finance and accounting practices and re-
23 sults, together with a comparison of the costs of the
24 performance of such functions by the Defense Fi-
25 nance and Accounting Service and the estimated

1 costs of the performance of such functions by those
2 other sources.

3 (3) The finance and accounting functions, if
4 any, that are appropriate for performance by those
5 other sources, together with a concept of operations
6 that—

7 (A) specifies the mission;

8 (B) identifies the finance and accounting
9 operations to be performed;

10 (C) describes the work force that is nec-
11 essary to perform those operations;

12 (D) discusses where the operations are to
13 be performed;

14 (E) describes how the operations are to be
15 performed; and

16 (F) discusses the relationship between how
17 the operations are to be performed and the mis-
18 sion.

19 (4) An analysis of how Department of Defense
20 programs or processes would be affected by the per-
21 formance of the finance and accounting functions of
22 the Department of Defense by one or more of those
23 other sources.

24 (5) The status of the efforts within the Depart-
25 ment of Defense to consolidate and eliminate redun-

1 dant finance and accounting systems and to better
2 integrate the automated and manual systems of the
3 department that provide input to financial manage-
4 ment or accounting systems of the department.

5 (6) A description of a feasible and effective
6 process for selecting, on a competitive basis, sources
7 to perform the finance and accounting functions of
8 the Department of Defense from among the sources
9 referred to in subsection (a), including a discussion
10 of the selection criteria considered appropriate.

11 (7) Any recommended policy for selecting
12 sources to perform the finance and accounting func-
13 tions of the Department of Defense on a competitive
14 basis from among the sources referred to in sub-
15 section (a), together with such other recommenda-
16 tions that the Secretary considers appropriate.

17 (8) An analysis of the costs and benefits of the
18 various policies and actions recommended.

19 (9) A discussion of any findings, analyses, and
20 recommendations of the performance of the finance
21 and accounting functions of the Department of De-
22 fense that have been made by the Task Force on
23 Defense Reform appointed by the Secretary of De-
24 fense.

1 (c) MARKET RESEARCH.—In carrying out the study,
2 the Secretary shall perform market research to determine
3 whether the availability of responsible private sector
4 sources of finance and accounting services is sufficient for
5 there to be a reasonable expectation of meaningful com-
6 petition for any contract for the procurement of finance
7 and accounting services for the Department of Defense.

8 **SEC. 1024. REORGANIZATION AND CONSOLIDATION OF OP-**
9 **ERATING LOCATIONS OF THE DEFENSE FI-**
10 **NANCE AND ACCOUNTING SERVICE.**

11 (a) LIMITATION.—No operating location of the De-
12 fense Finance and Accounting Service may be closed be-
13 fore the date that is six months after the date on which
14 the Secretary submits to Congress the plan required by
15 subsection (b).

16 (b) PLAN REQUIRED.—The Secretary of Defense
17 shall submit to Congress a strategic plan for improving
18 the financial management operations at each of the oper-
19 ating locations of the Defense Finance and Accounting
20 Service.

21 (c) CONTENT OF PLAN.—The plan shall include, at
22 a minimum, the following:

23 (1) The workloads that it is necessary to per-
24 form at the operating locations each fiscal year.

1 (2) The capacity and number of operating loca-
2 tions that are necessary for performing the work-
3 loads.

4 (3) A discussion of the costs and benefits that
5 could result from reorganizing the operating loca-
6 tions of the Defense Finance and Accounting Service
7 on the basis of function performed, together with the
8 Secretary's assessment of the feasibility of carrying
9 out such a reorganization.

10 (d) SUBMITTAL OF PLAN.—The plan shall be submit-
11 ted to the Committee on Armed Services of the Senate
12 and the Committee on National Security of the House of
13 Representatives not later than December 15, 1998.

14 **SEC. 1025. REPORT ON INVENTORY AND CONTROL OF MILI-**
15 **TARY EQUIPMENT.**

16 (a) REPORT REQUIRED.—Not later than March 1,
17 1999, the Secretary of Defense shall submit to the Com-
18 mittee on Armed Services of the Senate and the Commit-
19 tee on National Security of the House of Representatives
20 a report on the inventory and control of the military equip-
21 ment of the Department of Defense as of the end of fiscal
22 year 1998. The report shall address the inventories of each
23 of the Army, Navy, Air Force, and Marine Corps sepa-
24 rately.

1 (b) CONTENT.—The report shall include the follow-
2 ing:

3 (1) For each item of military equipment in the
4 inventory, stated by item nomenclature—

5 (A) the quantity of the item in the inven-
6 tory as of the beginning of the fiscal year;

7 (B) the quantity of acquisitions of the item
8 during the fiscal year;

9 (C) the quantity of disposals of the item
10 during the fiscal year;

11 (D) the quantity of losses of the item dur-
12 ing the performance of military missions during
13 the fiscal year; and

14 (E) the quantity of the item in the inven-
15 tory as of the end of the fiscal year.

16 (2) A reconciliation of the quantity of each item
17 in the inventory as of the beginning of the fiscal
18 year with the quantity of the item in the inventory
19 as of the end of fiscal year.

20 (3) For each item of military equipment that
21 cannot be reconciled—

22 (A) an explanation of why the quantities
23 cannot be reconciled; and

1 (B) a discussion of the remedial actions
 2 planned to be taken, including target dates for
 3 accomplishing the remedial actions.

4 (4) Supporting schedules identifying the loca-
 5 tion of each item that are available to Congress or
 6 auditors of the Comptroller General upon request.

7 (c) MILITARY EQUIPMENT DEFINED.—For the pur-
 8 poses of this section, the term “military equipment”
 9 means all equipment that is used in support of military
 10 missions and is maintained on the visibility systems of the
 11 Army, Navy, Air Force, or Marine Corps.

12 (d) INSPECTOR GENERAL REVIEW.—Not later than
 13 June 1, 1999, the Inspector General of the Department
 14 of Defense shall review the report submitted to the com-
 15 mittees under subsection (a) and shall submit to the com-
 16 mittees any comments that the Inspector General consid-
 17 ers appropriate.

18 **SEC. 1026. REPORT ON CONTINUITY OF ESSENTIAL OPER-**
 19 **ATIONS AT RISK OF FAILURE BECAUSE OF**
 20 **COMPUTER SYSTEMS THAT ARE NOT YEAR**
 21 **2000 COMPLIANT.**

22 (a) REPORT REQUIRED.—The Secretary of Defense
 23 and the Director of Central Intelligence shall jointly sub-
 24 mit to the Committee on Armed Services of the Senate
 25 and the Committee on National Security of the House of

1 Representatives a report on the plans of the Department
2 of Defense and the intelligence community for ensuring
3 the continuity of performance of essential operations that
4 are at risk of failure because of computer systems and
5 other information and support systems that are not year
6 2000 compliant.

7 (b) CONTENT.—The report shall contain, at a mini-
8 mum, the following:

9 (1) A prioritization of mission critical systems
10 to ensure that the most critical systems have the
11 highest priority for efforts to reprogram computers
12 to be year 2000 compliant.

13 (2) A discussion of the private and other public
14 information and support systems relied on by the
15 national security community, including the intel-
16 ligence community, and the efforts under way to en-
17 sure that those systems are year 2000 compliant.

18 (3) The efforts under way to repair the underly-
19 ing operating systems and infrastructure.

20 (4) The plans for comprehensive testing of De-
21 partment of Defense systems, including simulated
22 operational tests in mission areas.

23 (5) A comprehensive contingency plan, for the
24 entire national security community, which provides
25 for resolving emergencies resulting from a system

1 that is not year 2000 compliant and includes provi-
2 sion for the creation of crisis action teams for use
3 in resolving such emergencies.

4 (6) A discussion of the efforts undertaken to
5 ensure the continued reliability of service on the sys-
6 tems used by the President and other leaders of the
7 United States for communicating with the leaders of
8 other nations.

9 (7) A discussion of the vulnerability of allied
10 armed forces to failure systems that are not, or have
11 critical components that are not, year 2000 compli-
12 ant, together with an assessment of the potential
13 problems for interoperability among the Armed
14 Forces of the United States and allied armed forces
15 because of the potential for failure of such systems.

16 (8) An estimate of the total cost of making the
17 computer systems and other information and sup-
18 port systems comprising the computer networks of
19 the Department of Defense and the intelligence com-
20 munity year 2000 compliant.

21 (c) SUBMITTAL.—The report shall be submitted not
22 later than March 31, 1999, in classified form and, as nec-
23 essary, unclassified form.

24 (d) YEAR 2000 COMPLIANT.—In this section, the
25 term “year 2000 compliant”, with respect to a computer

1 system or any other information or support system, means
2 that the programs of the system correctly recognize dates
3 in years after 1999 as being dates after 1999 for the pur-
4 poses of program functions for which the correct date is
5 relevant to the performance of the functions.

6 **SEC. 1027. REPORTS ON NAVAL SURFACE FIRE-SUPPORT**
7 **CAPABILITIES.**

8 (a) NAVY REPORT.—(1) Not later than March 31,
9 1999, the Secretary of the Navy shall submit to the Com-
10 mittee on Armed Services of the Senate and the Commit-
11 tee on National Security of the House of Representatives
12 a report on battleship readiness for meeting requirements
13 of the Armed Forces for naval surface fire support.

14 (2) The report shall contain the following:

15 (A) The reasons for the Secretary's failure to
16 comply with the requirements of section 1011 of the
17 National Defense Authorization Act for Fiscal Year
18 1996 (Public Law 104–106; 110 Stat. 421) until
19 February 1998.

20 (B) The requirements for Air-Naval Gunfire Li-
21 aison Companies.

22 (C) The plans of the Navy for retaining and
23 maintaining 16-inch ammunition for the main guns
24 of battleships.

1 (D) The plans of the Navy for retaining the
2 hammerhead crane essential for lifting battleship
3 turrets.

4 (E) An estimate of the cost of reactivating
5 Iowa-class battleships for listing on the Naval Vessel
6 Register, restoring the vessels to seaworthiness with
7 operational capabilities necessary to meet require-
8 ments for naval surface fire-support, and maintain-
9 ing the battleships in that condition for continued
10 listing on the register, together with an estimate of
11 the time necessary to reactivate and restore the ves-
12 sels to that condition.

13 (3) The Secretary shall act through the Director of
14 Expeditionary Warfare Division (N85) of the Office of the
15 Chief of Naval Operations in preparing the report.

16 (b) GAO REPORT.—(1) The Comptroller General
17 shall submit to the Committee on Armed Services of the
18 Senate and the Committee on National Security of the
19 House of Representatives a report on the naval surface
20 fire-support capabilities of the Navy.

21 (2) The report shall contain the following:

22 (A) An assessment of the extent of the compli-
23 ance by the Secretary of the Navy with the require-
24 ments of section 1011 of the National Defense Au-

1 thorization Act for Fiscal Year 1996 (Public Law
2 104–106; 110 Stat. 421).

3 (B) The plans of the Navy for executing the
4 naval surface fire-support mission of the Navy.

5 (C) An assessment of the short-term costs and
6 the long-term costs associated with the plans.

7 (D) An assessment of the short-term costs and
8 the long-term costs associated with alternative meth-
9 ods for executing the naval surface fire-support mis-
10 sion of the Navy, including the alternative of re-
11 activating two battleships.

12 **SEC. 1028. REPORT ON ROLES IN DEPARTMENT OF DE-**
13 **FENSE AVIATION ACCIDENT INVESTIGA-**
14 **TIONS.**

15 (a) REPORT REQUIRED.—Not later than March 31,
16 1999, the Secretary of Defense shall submit to Congress
17 a report on the roles of the Office of the Secretary of De-
18 fense and the Joint Staff in the investigation of Depart-
19 ment of Defense aviation accidents.

20 (b) CONTENT OF REPORT.—The report shall include
21 the following:

22 (1) An assessment of whether the Office of the
23 Secretary of Defense and the Joint Staff should
24 have more direct involvement in the investigation of
25 military aviation accidents.

1 (2) The advisability of the Office of the Sec-
2 retary of Defense, the Joint Staff, or another De-
3 partment of Defense entity independent of the mili-
4 tary departments supervising the conduct of aviation
5 accident investigations.

6 (3) An assessment of the minimum training
7 and experience required for aviation accident inves-
8 tigation board presidents and board members.

9 **SEC. 1029. STRATEGIC PLAN FOR EXPANDING DISTANCE**
10 **LEARNING INITIATIVES.**

11 (a) PLAN REQUIRED.—The Secretary of Defense
12 shall develop a strategic plan for guiding and expanding
13 distance learning initiatives within the Department of De-
14 fense. The plan shall provide for an expansion of such ini-
15 tiatives over five consecutive fiscal years beginning with
16 fiscal year 2000.

17 (b) CONTENT OF PLAN.—The strategic plan shall, at
18 a minimum, contain the following:

19 (1) A statement of measurable goals and objec-
20 tives and outcome-related performance indicators
21 (consistent with section 1115 of title 31, United
22 States Code, relating to agency performance plans)
23 for the development and execution of distance learn-
24 ing initiatives throughout the Department of De-
25 fense.

1 (2) A detailed description of how distance learn-
2 ing initiatives are to be developed and managed
3 within the Department of Defense.

4 (3) An assessment of the estimated costs and
5 the benefits associated with developing and main-
6 taining an appropriate infrastructure for distance
7 learning.

8 (4) A statement of planned expenditures for the
9 investments necessary to build and maintain the in-
10 frastructure.

11 (5) A description of the mechanisms that are to
12 be used to supervise the development and coordina-
13 tion of the distance learning initiatives of the De-
14 partment of Defense.

15 (c) RELATIONSHIP TO EXISTING INITIATIVE.—In de-
16 veloping the strategic plan, the Secretary may take into
17 account the ongoing collaborative effort among the De-
18 partment of Defense, other Federal agencies, and private
19 industry that is known as the Advanced Distribution
20 Learning initiative. However, the Secretary shall ensure
21 that the strategic plan is specifically focused on the train-
22 ing and education goals and objectives of the Department
23 of Defense.

1 (d) SUBMISSION TO CONGRESS.—The Secretary of
2 Defense shall submit the strategic plan to Congress not
3 later than March 1, 1999.

4 **SEC. 1030. REPORT ON INVOLVEMENT OF ARMED FORCES**
5 **IN CONTINGENCY AND ONGOING OPER-**
6 **ATIONS.**

7 (a) REPORT REQUIRED.—Not later than January 31,
8 1999, the Secretary of Defense shall submit to the con-
9 gressional defense committees a report on the involvement
10 of the Armed Forces of the United States in major contin-
11 gency operations and major ongoing operations since the
12 end of the Persian Gulf War, including such operations
13 as the involvement in the Stabilization Force in Bosnia
14 and Herzegovina, Operation Southern Watch, and Oper-
15 ation Northern Watch. The report shall contain the follow-
16 ing:

17 (1) A discussion of the effects of that involve-
18 ment on retention and reenlistment of personnel in
19 the Armed Forces.

20 (2) The extent to which the use of combat sup-
21 port and combat service support personnel and
22 equipment of the Armed Forces in the operations
23 has resulted in shortages of Armed Forces personnel
24 and equipment in other regions of the world.

1 (3) The accounts from which funds have been
2 drawn to pay for the operations and the specific pro-
3 grams for which the funds were available until di-
4 verted to pay for the operations.

5 (4) The vital interests of the United States that
6 are involved in each operation or, if none, the inter-
7 ests of the United States that are involved in each
8 operation and a characterization of those interests.

9 (5) What clear and distinct objectives guide the
10 activities of United States forces in each operation.

11 (6) What the President has identified on the
12 basis of those objectives as the date, or the set of
13 conditions, that defines the end of each operation.

14 (b) FORM OF REPORT.—The report shall be submit-
15 ted in unclassified form, but may also be submitted in a
16 classified form if necessary.

17 (c) MAJOR OPERATION DEFINED.—For the purposes
18 of this section, a contingency operation or an ongoing op-
19 eration is a major contingency operation or a major ongo-
20 ing operation, respectively, if the operation involves more
21 than 500 members of the Armed Forces.

1 **Subtitle D—Other Matters**

2 **SEC. 1041. COOPERATIVE COUNTERPROLIFERATION PRO-**
3 **GRAM.**

4 (a) ASSISTANCE AUTHORIZED.—Subject to sub-
5 section (b), the Secretary of Defense may provide a foreign
6 country or any of its instrumentalities with assistance that
7 the Secretary determines necessary for destroying, remov-
8 ing, or obtaining from that country—

9 (1) weapons of mass destruction; or

10 (2) materials, equipment, or technology related
11 to the delivery or development of weapons of mass
12 destruction.

13 (b) CERTIFICATION REQUIRED.—(1) Not later than
14 15 days before providing assistance under subsection (a)
15 regarding weapons, materials, equipment, or technology
16 referred to in that subsection, the Secretary of Defense
17 shall certify to the congressional defense committees that
18 the weapons, materials, equipment, or technology meet
19 each of the following requirements:

20 (A) The weapons, materials, equipment, or
21 technology are at risk of being sold or otherwise
22 transferred to a restricted foreign state or entity.

23 (B) The transfer of the weapons, materials,
24 equipment, or technology would pose a significant
25 threat to national security interests of the United

1 States or would significantly advance a foreign coun-
2 try's weapon program that threatens national secu-
3 rity interests of the United States.

4 (C) Other options for securing or otherwise pre-
5 venting the transfer of the weapons, materials,
6 equipment, or technology have been considered and
7 rejected as ineffective or inadequate.

8 (2) The Secretary may waive the deadline for submit-
9 ting a certification required under paragraph (1) in any
10 case if the Secretary determines that compliance with the
11 requirement would compromise national security objec-
12 tives of the United States in that case. The Secretary shall
13 promptly notify the Chairman and ranking minority mem-
14 bers of the congressional defense committees regarding the
15 waiver and submit the certification not later than 45 days
16 after completing the action of providing the assistance in
17 the case.

18 (3) No assistance may be provided under subsection
19 (a) in any case unless the Secretary submits the certifi-
20 cation required under paragraph (1) or a notification re-
21 quired under paragraph (2) in such case.

22 (c) ANNUAL REPORTS.—(1) Not later than January
23 30 of each year, the Secretary of Defense shall submit
24 to the congressional defense committees a report on the

1 activities carried out under this section. The first annual
2 report shall be submitted not later than January 30, 2000.

3 (2) Each annual report shall set forth in separate sec-
4 tions for the previous year the following:

5 (A) The assistance provided under this section
6 and the purposes for which provided.

7 (B) The sources of funds for the assistance pro-
8 vided.

9 (C) Any assistance provided for the Department
10 of Defense under this section by any other depart-
11 ment or agency of the Federal Government, together
12 with the source or sources of that assistance.

13 (D) Any other information that the Secretary
14 considers appropriate for informing the appropriate
15 congressional committees about actions taken under
16 this section.

17 (d) DEFINITIONS.—In this section:

18 (1) The term “restricted foreign state or en-
19 tity”, with respect to weapons, materials, equipment,
20 or technology covered by a certification of the Sec-
21 retary of Defense under subsection (b), means—

22 (A) any foreign country the government of
23 which has repeatedly provided support for acts
24 of international terrorism, as determined by the
25 Secretary of State determines under section

1 620A of the Foreign Assistance Act of 1961
2 (22 U.S.C. 2371); or

3 (B) any foreign state or entity that the
4 Secretary of Defense determines would con-
5 stitute a military threat to the territory of the
6 United States, national security interests of the
7 United States, or allies of the United States, if
8 that foreign state or entity were to possess the
9 weapons, materials, equipment, or technology.

10 (2) The term “weapon of mass destruction” has
11 the meaning given that term in section 1402 of the
12 Defense Against Weapons of Mass Destruction Act
13 of 1996 (50 U.S.C. 2302(1)).

14 **SEC. 1042. EXTENSION OF COUNTERPROLIFERATION AU-**
15 **THORITIES FOR SUPPORT OF UNITED NA-**
16 **TIONS SPECIAL COMMISSION ON IRAQ.**

17 Section 1505 of the Weapons of Mass Destruction
18 Control Act of 1992 (title XV of Public Law 102–484;
19 22 U.S.C. 5859a) is amended—

20 (1) in subsection (d)(3), by striking out “or
21 \$15,000,000 for fiscal year 1998” and inserting in
22 lieu thereof “or \$15,000,000 for each of fiscal years
23 1998 and 1999”; and

1 (2) in subsection (f), by striking out “fiscal
2 year 1998” and inserting in lieu thereof “fiscal year
3 1999”.

4 **SEC. 1043. ONE-YEAR EXTENSION OF LIMITATION ON RE-**
5 **TIREMENT OR DISMANTLEMENT OF STRATE-**
6 **GIC NUCLEAR DELIVERY SYSTEMS.**

7 Section 1302 of the National Defense Authorization
8 Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat.
9 1948) is amended—

10 (1) by striking out “during fiscal year 1998”
11 each place it appears and inserting in lieu thereof
12 “during any fiscal year”; and

13 (2) by adding at the end the following:

14 “(g) APPLICABILITY TO FISCAL YEARS 1998 and
15 1999.—This section applies to fiscal years 1998 and
16 1999.”.

17 **SEC. 1044. DIRECT-LINE COMMUNICATION BETWEEN**
18 **UNITED STATES AND RUSSIAN COMMANDERS**
19 **OF STRATEGIC FORCES.**

20 (a) SENSE OF CONGRESS.—It is the sense of Con-
21 gress that a direct line of communication between the com-
22 manders in chief of the United States Strategic and Space
23 Commands and the Commander of the Russian Strategic
24 Rocket Forces could be a useful confidence-building tool.

1 (b) REPORT.—Not later than two months after the
2 date of the enactment of this Act, the Secretary of Defense
3 shall submit to the Committee on Armed Services of the
4 Senate and to the Committee on National Security of the
5 House of Representatives a report on the feasibility of ini-
6 tiating discussions on direct-line communication described
7 in subsection (a).

8 **SEC. 1045. CHEMICAL WARFARE DEFENSE.**

9 (a) REVIEW AND MODIFICATION OF POLICIES AND
10 DOCTRINE.—The Secretary of Defense shall review the
11 policies and doctrines of the Department of Defense on
12 chemical warfare defense and modify the policies and doc-
13 trine as appropriate to achieve the objectives set forth in
14 subsection (b).

15 (b) OBJECTIVES.—The objectives for the modifica-
16 tion of policies and doctrines of the Department of De-
17 fense on chemical warfare defense are as follows:

18 (1) To provide for adequate protection of per-
19 sonnel from any low-level exposure to a chemical
20 warfare agent that would endanger the health of ex-
21 posed personnel because of the deleterious effects
22 of—

23 (A) a single exposure to the agent;

1 (B) exposure to the agent concurrently
2 with other dangerous exposures, such as expo-
3 sures to—

4 (i) other potentially toxic substances
5 in the environment, including pesticides,
6 other insect and vermin control agents,
7 and environmental pollutants;

8 (ii) low-grade nuclear and electro-
9 magnetic radiation present in the environ-
10 ment;

11 (iii) preventive medications (that are
12 dangerous when taken concurrently with
13 other dangerous exposures referred to in
14 this paragraph); and

15 (iv) occupational hazards, including
16 battlefield hazards; and

17 (C) repeated exposures to the agent, or
18 some combination of one or more exposures to
19 the agent and other dangerous exposures re-
20 ferred to in subparagraph (B), over time.

21 (2) To provide for—

22 (A) the prevention of and protection
23 against, and the detection (including confirma-
24 tion) of, exposures to a chemical warfare agent
25 (whether intentional or inadvertent) at levels

1 that, even if not sufficient to endanger health
2 immediately, are greater than the level that is
3 recognized under Department of Defense poli-
4 cies as being the maximum safe level of expo-
5 sure to that agent for the general population;
6 and

7 (B) the recording, reporting, coordinating,
8 and retaining of information on possible expo-
9 sures described in subparagraph (A), including
10 the monitoring of the health effects of expo-
11 sures on humans and animals, and the docu-
12 menting and reporting of those health effects
13 specifically by location.

14 (3) Provide solutions for the concerns and mis-
15 sion requirements that are specifically applicable for
16 one or more of the Armed Forces in a protracted
17 conflict when exposures to chemical agents could be
18 complex, dynamic, and occurring over an extended
19 period.

20 (c) RESEARCH PROGRAM.—The Secretary of Defense
21 shall develop and carry out a plan to establish a research
22 program for determining the effects of chronic and low-
23 dose exposures to chemical warfare agents. The research
24 shall be designed to yield results that can guide the Sec-
25 retary in the evolution of policy and doctrine on low-level

1 exposures to chemical warfare agents. The plan shall state
 2 the objectives and scope of the program and include a 5-
 3 year funding plan.

4 (d) REPORT.—Not later than May 1, 1999, the Sec-
 5 retary of Defense shall submit to the Committee on Armed
 6 Services of the Senate and the Committee on National Se-
 7 curity of the House of Representatives a report on the re-
 8 sults of the review under subsection (a) and on the re-
 9 search program developed under subsection (c). The re-
 10 port shall include the following:

11 (1) Each modification of chemical warfare de-
 12 fense policy and doctrine resulting from the review.

13 (2) Any recommended legislation regarding
 14 chemical warfare defense.

15 (3) The plan for the research program.

16 **SEC. 1046. ACCOUNTING TREATMENT OF ADVANCE PAY-**
 17 **MENT OF PERSONNEL.**

18 (a) TREATMENT.—Section 1006 of title 37, United
 19 States Code, is amended by adding at the end the follow-
 20 ing:

21 “(l) Notwithstanding any provision of chapter 15 of
 22 title 31, an amount paid a member under this section in
 23 advance of the fiscal year in which the member’s entitle-
 24 ment to that amount accrues—

1 “(1) shall be treated as being obligated and ex-
 2 pended in that fiscal year; and

3 “(2) may not be treated as reducing the unobli-
 4 gated balance of the appropriations available for
 5 military personnel, Reserve personnel, or National
 6 Guard personnel, as the case may be, for the fiscal
 7 year in which paid.”.

8 (b) APPLICABILITY.—Subsection (l) of section 1006
 9 of title 37, United States Code (as added by subsection
 10 (a)), shall apply to advance payments made under such
 11 section in fiscal years beginning after September 30, 1997.

12 **SEC. 1047. REINSTATEMENT OF DEFINITION OF FINANCIAL**
 13 **INSTITUTION IN AUTHORITIES FOR REIM-**
 14 **BURSING DEFENSE PERSONNEL FOR GOV-**
 15 **ERNMENT ERRORS IN DIRECT DEPOSITS OF**
 16 **PAY.**

17 (a) MEMBERS OF THE ARMED FORCES.—Section
 18 1053(d)(1) of title 10, United States Code, is amended
 19 to read as follows:

20 “(1) The term ‘financial institution’ means a
 21 bank, savings and loan association or similar institu-
 22 tion, or a credit union chartered by the United
 23 States Government or a State.”.

1 (b) CIVILIAN EMPLOYEES.—Section 1594(d)(1) of
 2 title 10, United States Code, is amended to read as fol-
 3 lows:

4 “(1) The term ‘financial institution’ means a
 5 bank, savings and loan association or similar institu-
 6 tion, or a credit union chartered by the United
 7 States Government or a State.”.

8 **SEC. 1048. PILOT PROGRAM ON ALTERNATIVE NOTICE OF**
 9 **RECEIPT OF LEGAL PROCESS FOR GARNISH-**
 10 **MENT OF FEDERAL PAY FOR CHILD SUPPORT**
 11 **AND ALIMONY.**

12 (a) PROGRAM REQUIRED.—The Secretary of Defense
 13 shall conduct a pilot program on alternative notice proce-
 14 dures for withholding or garnishment of pay for the pay-
 15 ment of child support and alimony under section 459 of
 16 the Social Security Act (42 U.S.C. 659).

17 (b) PURPOSE.—The purpose of the pilot program is
 18 to test the efficacy of providing notice in accordance with
 19 subsection (c) to the person whose pay is to be withheld
 20 or garnisheed.

21 (c) NOTICE REQUIREMENTS.—Under the pilot pro-
 22 gram, if an agent designated under paragraph (1) of sec-
 23 tion 459(c) of the Social Security Act for members of the
 24 Armed Forces or employees of the Department of Defense
 25 receives notice or service of a court order, notice to with-

1 hold, or other legal process regarding a child support or
2 alimony obligation of such a member or employee, the
3 agent may omit from the notice that the agent sends to
4 the member or employee under paragraph (2)(A) of that
5 section the copy of the notice or service received by the
6 agent. The agent shall include in the notice, which shall
7 be in writing, the following:

8 (1) A description of the court order, notice to
9 withhold, or other legal process.

10 (2) The identity of the court, administrative
11 agency, or official that issued the order.

12 (3) The case number assigned by the court, ad-
13 ministrative agency, or official.

14 (4) The amount of the obligation.

15 (5) The name of each person for whom the sup-
16 port or alimony is provided.

17 (6) The name, address, and telephone number
18 of the person or office from which a copy of the no-
19 tice or service may be obtained.

20 (d) PERIOD OF PILOT PROGRAM.—The Secretary
21 shall commence the pilot program not later than 90 days
22 after the date of the enactment of this Act. The pilot pro-
23 gram shall terminate on September 30, 2000.

1 (e) REPORT.—Not later than April 1, 2001, the Sec-
 2 retary shall submit a report on the pilot program to Con-
 3 gress. The report shall contain the following:

4 (1) The number of notices that were issued in
 5 accordance with subsection (c) during the period of
 6 the pilot program.

7 (2) The number of persons who requested cop-
 8 ies of the notice or service of the court order, notice
 9 of withholding, or other legal process involved.

10 (3) Any communication received by the Sec-
 11 retary or an agent referred to in subsection (c) com-
 12 plaining about not being furnished a copy of the no-
 13 tice or service of the court order, notice of withhold-
 14 ing, or other legal process with the agent's notice.

15 **SEC. 1049. COSTS PAYABLE TO THE DEPARTMENT OF DE-**
 16 **FENSE AND OTHER FEDERAL AGENCIES FOR**
 17 **SERVICES PROVIDED TO THE DEFENSE COM-**
 18 **MISSARY AGENCY.**

19 (a) LIMITATION.—Section 2482(b)(1) of title 10,
 20 United States Code, is amended by adding at the end the
 21 following: “However, the Defense Commissary Agency
 22 may not pay for any such service any amount that exceeds
 23 the price at which the service could be procured in full
 24 and open competition (as such term is defined in section

1 4(6) of the Office of Federal Procurement Policy Act (41
2 U.S.C. 403(6)).”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 subsection (a) shall take effect on the date of the enact-
5 ment of this Act and shall apply with respect to services
6 provided or obtained on or after that date.

7 **SEC. 1050. COLLECTION OF DISHONORED CHECKS PRE-**
8 **SENTED AT COMMISSARY STORES.**

9 Section 2486 of title 10, United States Code, is
10 amended by adding at the end the following:

11 “(g) **COLLECTION OF DISHONORED CHECKS.**—(1)
12 The Secretary of Defense may impose a charge for the
13 collection of a check accepted at a commissary store that
14 is not honored by the financial institution on which the
15 check is drawn. The imposition and amounts of charges
16 shall be consistent with practices of commercial grocery
17 stores regarding dishonored checks.

18 “(2)(A) The following persons are liable to the United
19 States for the amount of a check referred to in paragraph
20 (1) that is returned unpaid to the United States, together
21 with any charge imposed under that paragraph:

22 “(i) The person who presented the check.

23 “(ii) Any person whose status and relationship
24 to the person who presented the check provide the

1 basis for that person's eligibility to make purchases
2 at a commissary store.

3 “(B) Any amount for which a person is liable under
4 subparagraph (A) may be collected by deducting and with-
5 holding such amount from any amounts payable to that
6 person by the United States.

7 “(3) Amounts collected as charges imposed under
8 paragraph (1) shall be credited to the commissary trust
9 revolving fund.

10 “(4) Appropriated funds may be used to pay any
11 costs incurred in the collection of checks and charges re-
12 ferred to in paragraph (1). An appropriation account
13 charged a cost under the preceding sentence shall be reim-
14 bursed the amount of that cost out of funds in the com-
15 missary trust revolving fund.

16 “(5) In this subsection, the term ‘commissary trust
17 revolving fund’ means the trust revolving fund maintained
18 by the Department of Defense for surcharge collections
19 and proceeds of sales of commissary stores.”.

20 **SEC. 1051. DEFENSE COMMISSARY AGENCY TELECOMMUNI-**
21 **CATIONS.**

22 (a) USE OF FTS 2000/2001.—The Secretary of De-
23 fense shall prescribe in regulations authority for the De-
24 fense Commissary Agency to meet its telecommunication
25 requirements by obtaining telecommunication services and

1 related items under the FTS 2000/2001 contract through
 2 a frame relay system procured for the agency.

3 (b) REPORT.—Upon the initiation of telecommuni-
 4 cation service for the Defense Commissary Agency under
 5 the FTS 2000/2001 contract through the frame relay sys-
 6 tem, the Secretary of Defense shall submit to Congress
 7 a notification that the service has been initiated.

8 (c) DEFINITION.—In this section, the term
 9 “FTS 2000/2001 contract” means the contract for the
 10 provision of telecommunication services for the Federal
 11 Government that was entered into by the Defense Infor-
 12 mation Technology Contract Organization.

13 **SEC. 1052. RESEARCH GRANTS COMPETITIVELY AWARDED**
 14 **TO SERVICE ACADEMIES.**

15 (a) UNITED STATES MILITARY ACADEMY.—(1)
 16 Chapter 403 of title 10, United States Code, is amended
 17 by adding at the end the following new section:

18 **“§ 4358. Research grants: acceptance, application,**
 19 **and use**

20 **“(a) ACCEPTANCE OF COMPETITIVELY AWARDED**
 21 **GRANTS.—**The Superintendent of the Academy may ac-
 22 cept a research grant that is awarded on a competitive
 23 basis by a source referred to in subsection (b) for a re-
 24 search project that is to be carried out by a professor or

1 instructor of the Academy for a scientific, literary, or edu-
2 cational purpose.

3 “(b) APPLICATION FOR GRANTS.—A professor or in-
4 structor of the Academy, together with the Superintend-
5 ent, may apply for a research grant referred to in sub-
6 section (a) from any corporation, fund, foundation, edu-
7 cational institution, or similar entity that is organized and
8 operated primarily for scientific, literary, or educational
9 purposes.

10 “(c) ADMINISTRATION OF GRANT PROCEEDS.—The
11 Superintendent shall establish a special account for ad-
12 ministering the proceeds of a research grant accepted
13 under subsection (a) and shall use the account for the ad-
14 ministration of such proceeds in accordance with applica-
15 ble regulations and the terms and conditions of the grant.

16 “(d) RELATED EXPENSES.—Subject to such limita-
17 tions as may be provided in appropriations Acts, appro-
18 priations available for the Academy may be used to pay
19 expenses incurred by the Academy in pursuit of an award
20 of a research grant authorized to be accepted under sub-
21 section (a).

22 “(e) REGULATIONS.—The Secretary of the Army
23 shall prescribe in regulations the requirements, restric-
24 tions, and conditions that the Secretary considers appro-

1 priate for the exercise and administration of the authority
 2 under this section.”.

3 (2) The table of sections at the beginning of such
 4 chapter is amended by adding at the end the following
 5 new item:

“4358. Research grants: acceptance, application, and use.”.

6 (b) UNITED STATES NAVAL ACADEMY.—(1) Chapter
 7 603 of title 10, United States Code, is amended by adding
 8 at the end the following new section:

9 **“§ 6977. Research grants: acceptance, application,**
 10 **and use**

11 “(a) ACCEPTANCE OF COMPETITIVELY AWARDED
 12 GRANTS.—The Superintendent of the Academy may ac-
 13 cept a research grant that is awarded on a competitive
 14 basis by a source referred to in subsection (b) for a re-
 15 search project that is to be carried out by a professor or
 16 instructor of the Academy for a scientific, literary, or edu-
 17 cational purpose.

18 “(b) APPLICATION FOR GRANTS.—A professor or in-
 19 structor of the Academy, together with the Superintend-
 20 ent, may apply for a research grant referred to in sub-
 21 section (a) from any corporation, fund, foundation, edu-
 22 cational institution, or similar entity that is organized and
 23 operated primarily for scientific, literary, or educational
 24 purposes.

1 “(c) ADMINISTRATION OF GRANT PROCEEDS.—The
 2 Superintendent shall establish a special account for ad-
 3 ministering the proceeds of a research grant accepted
 4 under subsection (a) and shall use the account for the ad-
 5 ministration of such proceeds in accordance with applica-
 6 ble regulations and the terms and conditions of the grant.

7 “(d) RELATED EXPENSES.—Subject to such limita-
 8 tions as may be provided in appropriations Acts, appro-
 9 priations available for the Academy may be used to pay
 10 expenses incurred by the Academy in pursuit of an award
 11 of a research grant authorized to be accepted under sub-
 12 section (a).

13 “(e) REGULATIONS.—The Secretary of the Navy
 14 shall prescribe in regulations the requirements, restric-
 15 tions, and conditions that the Secretary considers appro-
 16 priate for the exercise and administration of the authority
 17 under this section.”.

18 (2) The table of sections at the beginning of such
 19 chapter is amended by adding at the end the following
 20 new item:

“6977. Research grants: acceptance, application, and use.”.

21 (c) UNITED STATES AIR FORCE ACADEMY.—(1)
 22 Chapter 903 of title 10, United States Code, is amended
 23 by adding at the end the following new section:

1 **“§ 9357. Research grants: acceptance, application,**
2 **and use**

3 “(a) ACCEPTANCE OF COMPETITIVELY AWARDED
4 GRANTS.—The Superintendent of the Academy may ac-
5 cept a research grant that is awarded on a competitive
6 basis by a source referred to in subsection (b) for a re-
7 search project that is to be carried out by a professor or
8 instructor of the Academy for a scientific, literary, or edu-
9 cational purpose.

10 “(b) APPLICATION FOR GRANTS.—A professor or in-
11 structor of the Academy, together with the Superintend-
12 ent, may apply for a research grant referred to in sub-
13 section (a) from any corporation, fund, foundation, edu-
14 cational institution, or similar entity that is organized and
15 operated primarily for scientific, literary, or educational
16 purposes.

17 “(c) ADMINISTRATION OF GRANT PROCEEDS.—The
18 Superintendent shall establish a special account for ad-
19 ministering the proceeds of a research grant accepted
20 under subsection (a) and shall use the account for the ad-
21 ministration of such proceeds in accordance with applica-
22 ble regulations and the terms and conditions of the grant.

23 “(d) RELATED EXPENSES.—Subject to such limita-
24 tions as may be provided in appropriations Acts, appro-
25 priations available for the Academy may be used to pay
26 expenses incurred by the Academy in pursuit of an award

1 of a research grant authorized to be accepted under sub-
 2 section (a).

3 “(e) REGULATIONS.—The Secretary of the Air Force
 4 shall prescribe in regulations the requirements, restric-
 5 tions, and conditions that the Secretary considers appro-
 6 priate for the exercise and administration of the authority
 7 under this section.”.

8 (2) The table of sections at the beginning of such
 9 chapter is amended by adding at the end the following
 10 new item:

“9357. Research grants: acceptance, application, and use.”.

11 **SEC. 1053. CLARIFICATION AND SIMPLIFICATION OF RE-**
 12 **SPONSIBILITIES OF INSPECTORS GENERAL**
 13 **REGARDING WHISTLEBLOWER PROTEC-**
 14 **TIONS.**

15 (a) ROLES OF INSPECTORS GENERAL OF THE ARMED
 16 FORCES.—(1) Subsection (c) of section 1034 of title 10,
 17 United States Code, is amended—

18 (A) by striking out paragraph (1) and inserting
 19 in lieu thereof the following:

20 “(1) If a member of the armed forces submits to an
 21 Inspector General an allegation that a personnel action
 22 prohibited by subsection (b) has been taken (or threat-
 23 ened) against the member with respect to a communica-
 24 tion described in paragraph (2), the Inspector General of
 25 the Department of Defense or the Inspector General of

1 the armed force concerned shall take the action required
2 under paragraph (3).”; and

3 (B) by striking out paragraph (3) and inserting
4 in lieu thereof the following:

5 “(3) The Inspector General receiving an allegation as
6 described in paragraph (1) shall expeditiously determine
7 whether there is sufficient evidence to warrant an inves-
8 tigation of the allegation. Upon determining that an inves-
9 tigation is warranted, the Inspector General shall expedi-
10 tiously investigate the allegation. In the case of an allega-
11 tion received by the Inspector General of the Department
12 of Defense, the Inspector General may delegate that duty
13 to the Inspector General of the armed force concerned.
14 Neither an initial determination nor an investigation is re-
15 quired under this paragraph in the case of an allegation
16 made more than 60 days after the date on which the mem-
17 ber becomes aware of the personnel action that is the sub-
18 ject of the allegation.

19 “(4) If an Inspector General within a military depart-
20 ment receives an allegation covered by this subsection,
21 that Inspector General shall promptly notify the Inspector
22 General of the Department of Defense of the allegation
23 in accordance with regulations prescribed under sub-
24 section (h).

1 “(5) The Inspector General of the Department of De-
2 fense, or the Inspector General of the Department of
3 Transportation (in the case of a member of the Coast
4 Guard when the Coast Guard is not operating as a service
5 in the Navy), shall ensure that the inspector general con-
6 ducting the investigation of an allegation under this para-
7 graph is outside the immediate chain of command of both
8 the member submitting the allegation and the individual
9 or individuals alleged to have taken the retaliatory ac-
10 tion.”.

11 (2) Subsection (d) of such section is amended—

12 (A) by striking out “the Inspector General shall
13 conduct” and inserting in lieu thereof “an Inspector
14 General shall conduct”; and

15 (B) by adding at the end the following: “In the
16 case of an allegation received by the Inspector Gen-
17 eral of the Department of Defense, the Inspector
18 General may delegate that duty to the Inspector
19 General of the armed force concerned.”.

20 (b) MISMANAGEMENT COVERED BY PROTECTED
21 COMMUNICATIONS.—Subsection (c)(2)(B) of such section
22 is amended by striking out “Mismanagement” and insert-
23 ing in lieu thereof “Gross mismanagement”.

1 (c) SIMPLIFIED REPORTING AND NOTICE REQUIRE-
2 MENTS.—(1) Paragraph (1) of subsection (e) of such sec-
3 tion is amended—

4 (A) by striking out “the Inspector General shall
5 submit a report on” and inserting in lieu thereof
6 “the Inspector General conducting the investigation
7 shall provide”; and

8 (B) inserting “shall transmit a copy of the re-
9 port on the results of the investigation to” before
10 “the member of the armed forces”.

11 (2) Paragraph (2) of such subsection is amended by
12 adding at the end the following: “However, the copy need
13 not include summaries of interviews conducted, nor any
14 document acquired, during the course of the investigation.
15 Such items shall be transmitted to the member if the
16 member requests the items, whether before or after the
17 copy of the report is transmitted to the member.”.

18 (3) Paragraph (3) of such subsection is amended by
19 striking out “90 days” and inserting in lieu thereof “120
20 days”.

21 (d) REPEAL OF POST-INVESTIGATION INTERVIEW
22 REQUIREMENT.—Subsection (h) of such section is re-
23 pealed.

24 (e) INSPECTOR GENERAL DEFINED.—Subsection
25 (j)(2) of such section is amended—

1 (1) by redesignating subparagraph (B) as sub-
2 paragraph (G) and, in that subparagraph, by strik-
3 ing out “an officer” and inserting in lieu thereof
4 “An officer”;

5 (2) by striking out subparagraph (A) and in-
6 serting in lieu thereof the following:

7 “(A) The Inspector General of the Depart-
8 ment of Defense.

9 “(B) The Inspector General of the Depart-
10 ment of Transportation, in the case of a mem-
11 ber of the Coast Guard when the Coast Guard
12 is not operating as a service in the Navy.

13 “(C) The Inspector General of the Army,
14 in the case of a member of the Army.

15 “(D) The Naval Inspector General, in the
16 case of a member of the Navy.

17 “(E) The Inspector General of the Air
18 Force, in the case of a member of the Air
19 Force.

20 “(F) The Deputy Naval Inspector General
21 for Marine Corps Matters, in the case of a
22 member of the Marine Corps.”; and

23 (3) in the matter preceding subparagraph (A),
24 by striking out “means—” and inserting in lieu
25 thereof “means the following:”.

1 (f) TECHNICAL AND CONFORMING AMENDMENTS.—

2 (1) Subsections (i) and (j) of such section are redesignated
3 as subsections (h) and (i), respectively.

4 (2) Subsection (b)(1)(B)(ii) of such section is amend-
5 ed by striking out “subsection (j))” and inserting in lieu
6 thereof “subsection (i)) or any other Inspector General ap-
7 pointed under the Inspector General Act of 1978”.

8 **SEC. 1054. AMOUNTS RECOVERED FROM CLAIMS AGAINST**
9 **THIRD PARTIES FOR LOSS OR DAMAGE TO**
10 **PERSONAL PROPERTY SHIPPED OR STORED**
11 **AT GOVERNMENT EXPENSE.**

12 (a) IN GENERAL.—Chapter 163 of title 10, United
13 States Code, is amended by adding at the end the follow-
14 ing new section:

15 **“§ 2739. Amounts recovered from claims against third**
16 **parties for loss or damage to personal**
17 **property shipped or stored at Govern-**
18 **ment expense**

19 “(a) CREDITING OF COLLECTIONS.—Amounts col-
20 lected as described in subsection (b) by or for a military
21 department in any fiscal year shall be credited to the ap-
22 propriation that is available for that fiscal year for the
23 military department for the payment of claims for loss or
24 damage of personal property shipped or stored at Govern-
25 ment expense. Amounts so credited shall be merged with

1 the funds in the appropriation and shall be available for
 2 the same period and purposes as the funds with which
 3 merged.

4 “(b) COLLECTIONS COVERED.—An amount author-
 5 ized for crediting in accordance with subsection (a) is any
 6 amount that a military department collects under sections
 7 3711, 3716, 3717 and 3721 of title 31 from a third party
 8 for a loss or damage to personal property that occurred
 9 during shipment or storage of the property at Government
 10 expense and for which the Secretary of the military de-
 11 partment paid the owner in settlement of a claim.”.

12 (b) CLERICAL AMENDMENT.—The table of sections
 13 at the beginning of such chapter is amended by adding
 14 at the end the following new item:

“2739. Amounts recovered from claims against third parties for loss or damage
 to personal property shipped or stored at government ex-
 pense.”.

15 **SEC. 1055. ELIGIBILITY FOR ATTENDANCE AT DEPART-**
 16 **MENT OF DEFENSE DOMESTIC DEPENDENT**
 17 **ELEMENTARY AND SECONDARY SCHOOLS.**

18 (a) MILITARY DEPENDENTS.—Subsection (a) of sec-
 19 tion 2164 of title 10, United States Code, is amended—

20 (1) by designating the first sentence as para-
 21 graph (1);

22 (2) by designating the second sentence as para-
 23 graph (2); and

1 (3) by adding at the end of paragraph (2), as
2 so designated, the following: “The Secretary may
3 also permit a dependent of a member of the armed
4 forces to enroll in such a program if the dependent
5 is residing in such a jurisdiction, whether on or off
6 a military installation, while the member is assigned
7 away from that jurisdiction on a remote or unaccom-
8 panied assignment under permanent change of sta-
9 tion orders.”.

10 (b) EMPLOYEE DEPENDENTS.—Subsection (c)(2) of
11 such section is amended by striking out subparagraph (B)
12 and inserting in lieu thereof the following:

13 “(B) The Secretary may extend the enrollment of a
14 dependent referred to in subparagraph (A) in the program
15 for more than five consecutive school years if the Secretary
16 determines that the dependent is eligible under paragraph
17 (1), space is available in the program, and adequate ar-
18 rangements are made for reimbursement of the Secretary
19 for the costs to the Secretary of the educational services
20 provided for the dependent. An extension shall be for only
21 one school year, but the Secretary may authorize a succes-
22 sive extension each year for the next school year upon
23 making the determinations required under the preceding
24 sentence for that next school year.”.

1 **SEC. 1056. FEES FOR PROVIDING HISTORICAL INFORMA-**
2 **TION TO THE PUBLIC.**

3 (a) ARMY.—(1) Chapter 437 of title 10, United
4 States Code, is amended by adding at the end the follow-
5 ing:

6 **“§ 4595. Army Military History Institute: fee for pro-**
7 **viding historical information to the pub-**
8 **lic**

9 “(a) AUTHORITY.—Except as provided in subsection
10 (b), the Secretary of the Army may charge a person a fee
11 for providing the person with information requested by the
12 person that is provided from the United States Army Mili-
13 tary History Institute.

14 “(b) EXCEPTIONS.—A fee may not be charged under
15 this section—

16 “(1) to a person for information that the person
17 requests to carry out a duty as a member of the
18 armed forces or an officer or employee of the United
19 States; or

20 “(2) for a release of information under section
21 552 of title 5.

22 “(c) LIMITATION ON AMOUNT OF FEE.—The amount
23 of the fee charged under this section for providing infor-
24 mation may not exceed the cost of providing the informa-
25 tion.

1 “(d) RETENTION OF FEES.—Amounts received under
 2 subsection (a) for providing information in any fiscal year
 3 shall be credited to the appropriation or appropriations
 4 charged the costs of providing information to the public
 5 from the United States Army Military History Institute
 6 during that fiscal year.

7 “(e) DEFINITIONS.—In this section:

8 “(1) The term ‘United States Army Military
 9 History Institute’ means the archive for historical
 10 records and materials of the Army that the Sec-
 11 retary of the Army designates as the primary ar-
 12 chive for such records and materials.

13 “(2) The terms ‘officer of the United States’
 14 and ‘employee of the United States’ have the mean-
 15 ings given those terms in sections 2104 and 2105,
 16 respectively, of title 5.”.

17 (2) The table of sections at the beginning of such
 18 chapter is amended by adding at the end the following:

“4595. Army Military History Institute: fee for providing historical information
 to the public.”.

19 (b) NAVY.—(1) Chapter 649 of such title 10 is
 20 amended by adding at the end the following new section:

1 **“§ 7582. Naval and Marine Corps Historical Centers:**
2 **fee for providing historical information**
3 **to the public**

4 “(a) **AUTHORITY.**—Except as provided in subsection
5 (b), the Secretary of the Navy may charge a person a fee
6 for providing the person with information requested by the
7 person that is provided from the United States Naval His-
8 torical Center or the Marine Corps Historical Center.

9 “(b) **EXCEPTIONS.**—A fee may not be charged under
10 this section—

11 “(1) to a person for information that the person
12 requests to carry out a duty as a member of the
13 armed forces or an officer or employee of the United
14 States; or

15 “(2) for a release of information under section
16 552 of title 5.

17 “(c) **LIMITATION ON AMOUNT OF FEE.**—The amount
18 of the fee charged under this section for providing infor-
19 mation may not exceed the cost of providing the informa-
20 tion.

21 “(d) **RETENTION OF FEES.**—Amounts received under
22 subsection (a) for providing information from the United
23 States Naval Historical Center or the Marine Corps His-
24 torical Center in any fiscal year shall be credited to the
25 appropriation or appropriations charged the costs of pro-

1 viding information to the public from that historical center
 2 during that fiscal year.

3 “(e) DEFINITIONS.—In this section:

4 “(1) The term ‘United States Naval Historical
 5 Center’ means the archive for historical records and
 6 materials of the Navy that the Secretary of the Navy
 7 designates as the primary archive for such records
 8 and materials.

9 “(2) The term ‘Marine Corps Historical Center’
 10 means the archive for historical records and mate-
 11 rials of the Marine Corps that the Secretary of the
 12 Navy designates as the primary archive for such
 13 records and materials.

14 “(3) The terms ‘officer of the United States’
 15 and ‘employee of the United States’ have the mean-
 16 ings given those terms in sections 2104 and 2105,
 17 respectively, of title 5.”.

18 (2) The heading of such chapter is amended by strik-
 19 ing out “**RELATED**”.

20 (3)(A) The table of sections at the beginning of such
 21 chapter is amended by adding at the end the following
 22 new item:

“7582. Naval and Marine Corps Historical Centers: fee for providing historical
 information to the public.”.

23 (B) The item relating to such chapter in the tables
 24 of chapters at the beginning of subtitle C of title 10,

1 United States Code, and the beginning of part IV of such
2 subtitle is amended by striking out “Related”.

3 (c) AIR FORCE.—(1) Chapter 937 of title 10, United
4 States Code, is amended by adding at the end the follow-
5 ing new section:

6 **“§ 9594. Air Force Military History Institute: fee for**
7 **providing historical information to the**
8 **public**

9 “(a) AUTHORITY.—Except as provided in subsection
10 (b), the Secretary of the Air Force may charge a person
11 a fee for providing the person with information requested
12 by the person that is provided from the United States Air
13 Force Military History Institute.

14 “(b) EXCEPTIONS.—A fee may not be charged under
15 this section—

16 “(1) to a person for information that the person
17 requests to carry out a duty as a member of the
18 armed forces or an officer or employee of the United
19 States; or

20 “(2) for a release of information under section
21 552 of title 5.

22 “(c) LIMITATION ON AMOUNT OF FEE.—The amount
23 of the fee charged under this section for providing infor-
24 mation may not exceed the cost of providing the informa-
25 tion.

1 “(d) RETENTION OF FEES.—Amounts received under
 2 subsection (a) for providing information in any fiscal year
 3 shall be credited to the appropriation or appropriations
 4 charged the costs of providing information to the public
 5 from the United States Air Force Military History Insti-
 6 tute during that fiscal year.

7 “(e) DEFINITIONS.—In this section:

8 “(1) The term ‘United States Air Force Mili-
 9 tary History Institute’ means the archive for histori-
 10 cal records and materials of the Air Force that the
 11 Secretary of the Air Force designates as the primary
 12 archive for such records and materials.

13 “(2) The terms ‘officer of the United States’
 14 and ‘employee of the United States’ have the mean-
 15 ings given those terms in sections 2104 and 2105,
 16 respectively, of title 5.”.

17 (2) The table of sections at the beginning of such
 18 chapter 937 is amended by adding at the end the following
 19 new item:

“9594. Air Force Military History Institute: fee for providing historical informa-
 tion to the public.”.

20 **SEC. 1057. PERIODIC INSPECTION OF THE ARMED FORCES**

21 **RETIREMENT HOME.**

22 (a) INSPECTION BY INSPECTORS GENERAL OF THE
 23 ARMED FORCES.—Section 1518 of the Armed Forces Re-

1 tirement Home Act of 1991 (24 U.S.C. 418) is amended
2 to read as follows:

3 **“SEC. 1518. INSPECTION OF RETIREMENT HOME.**

4 “(a) TRIENNIAL INSPECTION.—Every three years the
5 Inspector General of an armed force shall inspect the Re-
6 tirement Home, including the records of the Retirement
7 Home.

8 “(b) ALTERNATING DUTY AMONG INSPECTORS GEN-
9 ERAL.—The duty to inspect the Retirement Home shall
10 alternate among the Inspector General of the Army, the
11 Naval Inspector General, and the Inspector General of the
12 Air Force on such schedule as the Secretary of Defense
13 shall direct.

14 “(c) REPORTS.—Not later than 45 days after com-
15 pleting an inspection under subsection (a), the Inspector
16 General carrying out the inspection shall submit to the
17 Retirement Home Board, the Secretary of Defense, and
18 Congress a report describing the results of the inspection
19 and containing such recommendations as the Inspector
20 General considers appropriate.”.

21 (b) FIRST INSPECTION.—The first inspection under
22 section 1518 of the Armed Forces Retirement Home Act
23 of 1991, as amended by subsection (a), shall be carried
24 out during fiscal year 1999.

1 **SEC. 1058. TRANSFER OF F-4 PHANTOM II AIRCRAFT TO**
2 **FOUNDATION.**

3 (a) **AUTHORITY.**—The Secretary of the Air Force
4 may convey, without consideration to the Collings Founda-
5 tion, Stow, Massachusetts (in this section referred to as
6 the “foundation”), all right, title, and interest of the
7 United States in and to one surplus F-4 Phantom II air-
8 craft. The conveyance shall be made by means of a condi-
9 tional deed of gift.

10 (b) **CONDITION OF AIRCRAFT.**—The Secretary may
11 not convey ownership of the aircraft under subsection (a)
12 until the Secretary determines that the foundation has al-
13 tered the aircraft in such manner as the Secretary deter-
14 mines necessary to ensure that the aircraft does not have
15 any capability for use as a platform for launching or re-
16 leasing munitions or any other combat capability that it
17 was designed to have. The Secretary is not required to
18 repair or alter the condition of the aircraft before convey-
19 ing ownership of the aircraft.

20 (c) **REVERTER UPON BREACH OF CONDITIONS.**—
21 The Secretary shall include in the instrument of convey-
22 ance of the aircraft—

23 (1) a condition that the foundation not convey
24 any ownership interest in, or transfer possession of,
25 the aircraft to any other party without the prior ap-
26 proval of the Secretary of the Air Force;

1 (2) a condition that the operation and mainte-
2 nance of the aircraft comply with all applicable limi-
3 tations and maintenance requirements imposed by
4 the Administrator of the Federal Aviation Adminis-
5 tration; and

6 (3) a condition that if the Secretary of the Air
7 Force determines at any time that the foundation
8 has conveyed an ownership interest in, or trans-
9 ferred possession of, the aircraft to any other party
10 without the prior approval of the Secretary, or has
11 failed to comply with the condition set forth in para-
12 graph (2), all right, title, and interest in and to the
13 aircraft, including any repair or alteration of the air-
14 craft, shall revert to the United States, and the
15 United States shall have the right of immediate pos-
16 session of the aircraft.

17 (d) CONVEYANCE AT NO COST TO THE UNITED
18 STATES.—The conveyance of an aircraft authorized by
19 this section shall be made at no cost to the United States.
20 Any costs associated with such conveyance, costs of deter-
21 mining compliance with subsection (b), and costs of oper-
22 ation and maintenance of the aircraft conveyed shall be
23 borne by the foundation.

24 (e) ADDITIONAL TERMS AND CONDITIONS.—The
25 Secretary of the Air Force may require such additional

1 terms and conditions in connection with the conveyance
2 under this section as the Secretary considers appropriate
3 to protect the interests of the United States.

4 (f) CLARIFICATION OF LIABILITY.—Notwithstanding
5 any other provision of law, upon the conveyance of owner-
6 ship of the F-4 Phantom II aircraft to the foundation
7 under subsection (a), the United States shall not be liable
8 for any death, injury, loss, or damage that results from
9 any use of that aircraft by any person other than the
10 United States.

11 **SEC. 1059. ACT CONSTITUTING PRESIDENTIAL APPROVAL**
12 **OF VESSEL WAR RISK INSURANCE RE-**
13 **QUESTED BY THE SECRETARY OF DEFENSE.**

14 Section 1205(b) of the Merchant Marine Act of 1936
15 (46 U.S.C. App. 1285(b)) is amended by adding at the
16 end the following: “The signature of the President (or of
17 an official designated by the President) on the agreement
18 shall be treated as an expression of the approval required
19 under section 1202(a) to provide the insurance.”.

20 **SEC. 1060. COMMENDATION AND MEMORIALIZATION OF**
21 **THE UNITED STATES NAVY ASIATIC FLEET.**

22 (a) FINDINGS.—Congress makes the following find-
23 ings:

1 (1) The United States established the Asiatic
2 Fleet of the Navy in 1910 to protect American na-
3 tionals, policies, and possessions in the Far East.

4 (2) The sailors and Marines of the Asiatic Fleet
5 ensured the safety of United States citizens and for-
6 eign nationals, and provided humanitarian assist-
7 ance, in that region during the Chinese civil war, the
8 Yangtze Flood of 1931, and the outbreak of Sino-
9 Japanese hostilities.

10 (3) In 1940, due to deteriorating political rela-
11 tions and increasing tensions between the United
12 States and Japan, a reinforced Asiatic Fleet began
13 concentrating on the defense of the Philippines and
14 engaged in extensive training to ensure maximum
15 operational readiness for any eventuality.

16 (4) Following the declaration of war against
17 Japan, the warships, submarines, and aircraft of the
18 Asiatic Fleet singly or in task forces courageously
19 fought many naval battles against a superior Japa-
20 nese armada.

21 (5) The Asiatic Fleet directly suffered the loss
22 of 22 ships, 1,826 men killed or missing in action,
23 and 518 men captured and imprisoned under the
24 worst of conditions with many of them dying while
25 held as prisoners of war.

1 (b) COMMENDATION.—Congress—

2 (1) commends the personnel who served in the
3 Asiatic Fleet of the United States Navy during the
4 period 1910 to 1942; and

5 (2) honors those who gave their lives in the line
6 of duty while serving in the Asiatic Fleet.

7 (c) UNITED STATES NAVY ASIATIC FLEET MEMO-
8 RIAL DAY.—The President is authorized and requested to
9 issue a proclamation designating March 1, 1999 as
10 “United States Navy Asiatic Fleet Memorial Day” and
11 calling upon the people of the United States to observe
12 United States Navy Asiatic Fleet Memorial Day with ap-
13 propriate programs, ceremonies, and activities.

14 **SEC. 1061. PROGRAM TO COMMEMORATE 50TH ANNIVER-**
15 **SARY OF THE KOREAN WAR.**

16 (a) REFERENCE TO KOREAN WAR.—Section 1083 of
17 the National Defense Authorization Act for Fiscal Year
18 1998 (Public Law 105–85; 111 Stat. 1918; 10 U.S.C. 113
19 note) is amended—

20 (1) in the section heading, by striking out “**KO-**
21 **REAN CONFLICT**” and inserting in lieu thereof
22 “**KOREAN WAR**”;

23 (2) by striking out “Korean conflict” each place
24 it appears and inserting in lieu thereof “Korean
25 War”; and

1 (3) in subsections (c) and (d)(1), by striking
2 out “Korean Conflict” and inserting in lieu thereof
3 “Korean War”.

4 (b) LIMITATION ON EXPENDITURES.—Subsection (f)
5 of such section is amended to read as follows:

6 “(f) LIMITATION ON EXPENDITURES.—The total
7 amount expended for the commemorative program for fis-
8 cal years 1998 through 2004 by the Department of De-
9 fense 50th Anniversary of the Korean War Commemora-
10 tive Committee established by the Secretary of Defense
11 may not exceed \$10,000,000.”.

12 **SEC. 1062. DEPARTMENT OF DEFENSE USE OF FREQUENCY**
13 **SPECTRUM.**

14 (a) FINDING.—Congress finds that the report sub-
15 mitted to Congress by the Secretary of Defense on April
16 2, 1998, regarding the reallocation of the frequency spec-
17 trum used or dedicated to the Department of Defense and
18 the intelligence community, does not include a discussion
19 of the costs to the Department of Defense that are associ-
20 ated with past and potential future reallocations of the
21 frequency spectrum, although such a discussion was to be
22 included in the report as directed in connection with the
23 enactment of the National Defense Authorization Act for
24 Fiscal Year 1998.

1 (b) ADDITIONAL REPORT.—The Secretary of Defense
 2 shall, not later than October 31, 1998, submit to the Com-
 3 mittee on Armed Services of the Senate and the Commit-
 4 tee on National Security of the House of Representatives
 5 a report that discusses the costs referred to in subsection
 6 (a).

7 (c) RELOCATION OF FEDERAL FREQUENCIES.—Sec-
 8 tion 113(g)(1) of the National Telecommunications and
 9 Information Administration Organization Act (47 U.S.C.
 10 923(g)(1)) is amended—

11 (1) by striking out “(1) IN GENERAL.—In
 12 order” and inserting in lieu thereof the following:

13 “(1) IN GENERAL.—

14 “(A) AUTHORITY OF FEDERAL ENTITIES
 15 TO ACCEPT COMPENSATION.—In order”;

16 (2) in subparagraph (A), as so designated, by
 17 striking out the second, third and fourth sentences;
 18 and

19 (3) by adding at the end the following:

20 “(B) REQUIREMENT TO COMPENSATE FED-
 21 ERAL ENTITIES.—Any person on whose behalf a
 22 Federal entity incurs costs under subparagraph
 23 (A) shall compensate the Federal entity in ad-
 24 vance for such costs. Such compensation may

1 take the form of a cash payment or in-kind
2 compensation.

3 “(C) DISPOSITION OF PAYMENTS.—

4 “(i) PAYMENT BY ELECTRONIC FUNDS
5 TRANSFER.—A person making a cash pay-
6 ment under this paragraph shall make the
7 cash payment by depositing the amount of
8 the payment by electronic funds transfer in
9 the account of the Federal entity con-
10 cerned in the Treasury of the United
11 States or in another account as authorized
12 by law.

13 “(ii) AVAILABILITY.—Subject to the
14 provisions of authorization Acts and appro-
15 priations Acts, amounts deposited under
16 this subparagraph shall be available to the
17 Federal entity concerned to pay directly
18 the costs of relocation under this para-
19 graph, to repay or make advances to ap-
20 propriations or funds which do or will ini-
21 tially bear all or part of such costs, or to
22 refund excess sums when necessary.

23 “(D) APPLICATION TO CERTAIN OTHER
24 RELOCATIONS.—The provisions of this para-
25 graph also apply to any Federal entity that op-

1 erates a Federal Government station assigned
 2 to used electromagnetic spectrum identified for
 3 reallocation under subsection (a) if before Au-
 4 gust 5, 1997, the Commission has not identified
 5 that spectrum for service or assigned licenses or
 6 otherwise authorized service for that spec-
 7 trum.”.

8 **SEC. 1063. TECHNICAL AND CLERICAL AMENDMENTS.**

9 (a) TITLE 10, UNITED STATES CODE.—Title 10,
 10 United States Code, is amended as follows:

11 (1) The item relating to section 484 in the table
 12 of sections at the beginning of chapter 23 is amend-
 13 ed to read as follows:

“484. Annual report on aircraft inventory.”.

14 (2) Section 517(a) is amended by striking out
 15 “Except as provided in section 307 of title 37, the”
 16 and inserting in lieu thereof “The”.

17 (3) The item relating to section 2302c in the
 18 table of sections at the beginning of chapter 137 is
 19 amended to read as follows:

“2302c. Implementation of electronic commerce capability.”.

20 (4) The table of subchapters at the beginning
 21 of chapter 148 is amended by striking out “2491”
 22 in the item relating to subchapter I and inserting in
 23 lieu thereof “2500”.

1 (5) Section 7045(c) is amended by striking out
2 “the” after “are subject to”.

3 (6) Section 7572(b) is repealed.

4 (7) Section 12683(b)(2) is amended by striking
5 out “; or” at the end and inserting in lieu thereof
6 a period.

7 (b) PUBLIC LAW 105–85.—Effective as of November
8 18, 1997, and as if included therein as enacted, the Na-
9 tional Defense Authorization Act for Fiscal Year 1998
10 (Public Law 105–85) is amended as follows:

11 (1) Section 1006(a) (111 Stat. 1869) is amend-
12 ed by striking out “or” in the quoted matter and in-
13 serting in lieu thereof “and”.

14 (2) Section 3133(b)(3) (111 Stat. 2036) is
15 amended by striking out “III” and inserting in lieu
16 thereof “XIV”.

17 (c) OTHER ACTS.—

18 (1) Section 18(c)(1) of the Office of Federal
19 Procurement Policy Act (41 U.S.C. 416(c)(1)) is
20 amended by striking out the period at the end of
21 subparagraph (A) and inserting in lieu thereof a
22 semicolon.

23 (2) Section 3(c)(2) of Public Law 101–533 (22
24 U.S.C. 3142(c)(2)) is amended by striking out “in-
25 cluded in the most recent plan submitted to the Con-

gress under section 2506 of title 10” and inserting in lieu thereof “identified in the most recent assessment prepared under section 2505 of title 10”.

(d) COORDINATION WITH OTHER AMENDMENTS.— For purposes of applying amendments made by provisions of this Act other than provisions of this section, this section shall be treated as having been enacted immediately before the other provisions of this Act.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

SEC. 1101. REPEAL OF EMPLOYMENT PREFERENCE NOT NEEDED FOR RECRUITMENT AND RETEN- TION OF QUALIFIED CHILD CARE PROVID- ERS.

Section 1792 of title 10, United States Code, is amended—

(1) by striking out subsection (d); and

SEC. 1102. MAXIMUM PAY RATE COMPARABILITY FOR FAC- ULTY MEMBERS OF THE UNITED STATES AIR FORCE INSTITUTE OF TECHNOLOGY.

Section 9314(b)(2)(B) of title 10, United States Code, is amended by striking out “section 5306(e)” and inserting in lieu thereof “section 5373”.

(2) by redesignating subsection (e) as subsection (d).

1 **SEC. 1103. FOUR-YEAR EXTENSION OF VOLUNTARY SEPA-**
 2 **RATION INCENTIVE PAY AUTHORITY.**

3 Section 5597(e) of title 5, United States Code, is
 4 amended by striking out “September 30, 2001” and in-
 5 serting in lieu thereof “September 30, 2003”.

6 **SEC. 1104. DEPARTMENT OF DEFENSE EMPLOYEE VOL-**
 7 **UNTARY EARLY RETIREMENT AUTHORITY.**

8 (a) CIVIL SERVICE RETIREMENT SYSTEM.—Section
 9 8336 of title 5, United States Code, is amended—

10 (1) in subsection (d)(2), by inserting “except in
 11 the case of an employee described in subsection
 12 (o)(1),” after “(2)”; and

13 (2) by adding at the end the following:

14 “(o)(1) An employee of the Department of Defense
 15 who is separated from the service under conditions de-
 16 scribed in paragraph (2) after completing 25 years of serv-
 17 ice or after becoming 50 years of age and completing 20
 18 years of service is entitled to an annuity.

19 “(2) Paragraph (1) applies to an employee who—

20 “(A) has been employed continuously by the
 21 Department of Defense for more than 30 days be-
 22 fore the date on which the Secretary concerned re-
 23 quests the determinations required under in sub-
 24 paragraph (D)(i);

25 “(B) is serving under an appointment that is
 26 not limited by time;

1 “(C) has not received a decision notice of invol-
2 untary separation for misconduct or unacceptable
3 performance that is pending decision; and

4 “(D) is separated from the service voluntarily
5 during a period in which—

6 “(i) the Department of Defense or the
7 military department or subordinate organization
8 within the Department of Defense or military
9 department in which the employee is serving is
10 undergoing a major reorganization, a major re-
11 duction in force, or a major transfer of func-
12 tion, and employees comprising a significant
13 percentage of the employees serving in that de-
14 partment or organization are to be separated or
15 subject to an immediate reduction in the rate of
16 basic pay (without regard to subchapter VI of
17 chapter 53, or comparable provisions of law), as
18 determined by the Office of Personnel Manage-
19 ment (under regulations prescribed by the Of-
20 fice) upon the request of the Secretary con-
21 cerned; and

22 “(ii) the employee is within the scope of an
23 offer of voluntary early retirement (as defined
24 by organizational unit, occupational series or
25 level, geographical location, any other similar

1 factor that the Office of Personnel Management
 2 determines appropriate, or any combination of
 3 such definitions of scope), as determined by the
 4 Secretary concerned under regulations pre-
 5 scribed by the Office.

6 “(3) In this subsection, the term ‘Secretary con-
 7 cerned’ means—

8 “(A) the Secretary of Defense, with respect to
 9 an employee of the Department of Defense not em-
 10 ployed in a position in a military department;

11 “(B) the Secretary of the Army, with respect to
 12 an employee of the Department of the Army;

13 “(C) the Secretary of the Navy, with respect to
 14 an employee of the Department of the Navy;

15 “(D) the Secretary of the Air Force, with re-
 16 spect to an employee of the Department of the Air
 17 Force.”.

18 (b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—

19 Section 8414 of such title is amended—

20 (1) in subsection (b)(1)(B), inserting “except in
 21 the case of an employee described in subsection
 22 (d)(1),” after “(B)”; and

23 (2) by adding at the end the following:

24 “(d)(1) An employee of the Department of Defense
 25 who is separated from the service under conditions de-

1 scribed in paragraph (2) after completing 25 years of serv-
2 ice or after becoming 50 years of age and completing 20
3 years of service is entitled to an annuity.

4 “(2) Paragraph (1) applies to an employee who—

5 “(A) has been employed continuously by the
6 Department of Defense for more than 30 days be-
7 fore the date on which the Secretary concerned re-
8 quests the determinations required under subpara-
9 graph (D)(i);

10 “(B) is serving under an appointment that is
11 not limited by time;

12 “(C) has not received a decision notice of invol-
13 untary separation for misconduct or unacceptable
14 performance that is pending decision; and

15 “(D) is separated from the service voluntarily
16 during a period in which—

17 “(i) the Department of Defense or the
18 military department or subordinate organization
19 within the Department of Defense or military
20 department in which the employee is serving is
21 undergoing a major reorganization, a major re-
22 duction in force, or a major transfer of func-
23 tion, and employees comprising a significant
24 percentage of the employees serving in that de-
25 partment or organization are to be separated or

1 subject to an immediate reduction in the rate of
2 basic pay (without regard to subchapter VI of
3 chapter 53, or comparable provisions of law), as
4 determined by the Office of Personnel Manage-
5 ment (under regulations prescribed by the Of-
6 fice) upon the request of the Secretary con-
7 cerned; and

8 “(ii) the employee is within the scope of an
9 offer of voluntary early retirement (as defined
10 by organizational unit, occupational series or
11 level, geographical location, any other similar
12 factor that the Office of Personnel Management
13 determines appropriate, or any combination of
14 such definitions of scope), as determined by the
15 Secretary concerned under regulations pre-
16 scribed by the Office.

17 “(3) In this subsection, the term ‘Secretary con-
18 cerned’ means—

19 “(A) the Secretary of Defense, with respect to
20 an employee of the Department of Defense not em-
21 ployed in a position in a military department;

22 “(B) the Secretary of the Army, with respect to
23 an employee of the Department of the Army;

24 “(C) the Secretary of the Navy, with respect to
25 an employee of the Department of the Navy;

1 “(D) the Secretary of the Air Force, with re-
 2 spect to an employee of the Department of the Air
 3 Force.”.

4 (c) CONFORMING AMENDMENTS.—(1) Section
 5 8339(h) of such title is amended by striking out “or (j)”
 6 in the first sentence and inserting in lieu thereof “(j), or
 7 (o)”.

8 (2) Section 8464(a)(1)(A)(i) of such title is amended
 9 by striking out “or (b)(1)(B)” and inserting in lieu thereof
 10 “, (b)(1)(B), or (d)”.

11 **SEC. 1105. DEFENSE ADVANCED RESEARCH PROJECTS**
 12 **AGENCY EXPERIMENTAL PERSONNEL MAN-**
 13 **AGEMENT PROGRAM FOR TECHNICAL PER-**
 14 **SONNEL.**

15 (a) PROGRAM AUTHORIZED.—During the 5-year pe-
 16 riod beginning on the date of the enactment of this Act,
 17 the Secretary of Defense may carry out a program of ex-
 18 perimental use of special personnel management authority
 19 provided in this section in order to facilitate the recruit-
 20 ment of eminent experts in science or engineering for re-
 21 search and development projects administered by the De-
 22 fense Advanced Research Projects Agency.

23 (b) SPECIAL PERSONNEL MANAGEMENT AUTHOR-
 24 ITY.—Under the program, the Secretary may—

1 (1) appoint scientists and engineers from out-
2 side the civil service and uniformed services (as such
3 terms are defined in section 2101 of title 5, United
4 States Code) to not more than 20 scientific and en-
5 gineering positions in the Defense Advanced Re-
6 search Projects Agency without regard to any provi-
7 sion of title 5, United States Code, governing the
8 appointment of employees in the civil service;

9 (2) prescribe the rates of basic pay for positions
10 to which employees are appointed under paragraph
11 (1) at rates not in excess of the maximum rate of
12 basic pay authorized for senior-level positions under
13 section 5376 of title 5, United States Code, notwith-
14 standing any provision of such title governing the
15 rates of pay or classification of employees in the ex-
16 ecutive branch; and

17 (3) pay any employee appointed under para-
18 graph (1) payments in addition to basic pay within
19 the limit applicable to the employee under subsection
20 (d)(1).

21 (c) LIMITATION ON TERM OF APPOINTMENT.—(1)
22 Except as provided in paragraph (2), the service of an em-
23 ployee under an appointment under subsection (b)(1) may
24 not exceed four years.

1 (2) The Secretary may, in the case of a particular
2 employee, extend the period to which service is limited
3 under paragraph (1) by up to two years if the Secretary
4 determines that such action is necessary to promote the
5 efficiency of the Defense Advanced Research Projects
6 Agency.

7 (d) LIMITATIONS ON ADDITIONAL PAYMENTS.—(1)
8 The total amount of the additional payments paid to an
9 employee under subsection (b)(3) for any 12-month period
10 may not exceed the least of the following amounts:

11 (A) \$25,000.

12 (B) The amount equal to 25 percent of the em-
13 ployee's annual rate of basic pay.

14 (C) The amount of the limitation that is appli-
15 cable for a calendar year under section 5307(a)(1)
16 of title 5, United States Code.

17 (2) An employee appointed under subsection (b)(1)
18 is not eligible for any bonus, monetary award, or other
19 monetary incentive for service except for payments author-
20 ized under subsection (b)(3).

21 (e) PERIOD OF PROGRAM.—(1) The program author-
22 ized under this section shall terminate at the end of the
23 5-year period referred to in subsection (a).

24 (2) After the termination of the program—

1 (A) no appointment may be made under para-
2 graph (1) of subsection (b);

3 (B) a rate of basic pay prescribed under para-
4 graph (2) of that subsection may not take effect for
5 a position; and

6 (C) no period of service may be extended under
7 subsection (c)(1).

8 (f) SAVINGS PROVISIONS.—In the case of an em-
9 ployee who, on the day before the termination of the pro-
10 gram, is serving in a position pursuant to an appointment
11 under subsection (b)(1)—

12 (1) the termination of the program does not
13 terminate the employee's employment in that posi-
14 tion before the expiration of the lesser of—

15 (A) the period for which the employee was
16 appointed; or

17 (B) the period to which the employee's
18 service is limited under subsection (c), including
19 any extension made under paragraph (2) of
20 that subsection before the termination of the
21 program; and

22 (2) the rate of basic pay prescribed for the posi-
23 tion under subsection (b)(2) may not be reduced for
24 so long (within the period applicable to the employee

1 under paragraph (1)) as the employee continues to
2 serve in the position without a break in service.

3 (g) ANNUAL REPORT.—(1) Not later than October
4 15 of each year, beginning in 1999, the Secretary of De-
5 fense shall submit a report on the program to the Commit-
6 tee on Armed Services of the Senate and the Committee
7 on National Security of the House of Representatives. The
8 report submitted in a year shall cover the 12-month period
9 ending on the day before the anniversary, in that year,
10 of the date of the enactment of this Act.

11 (2) The annual report shall contain, for the period
12 covered by the report, the following:

13 (A) A detailed discussion of the exercise of au-
14 thority under this section.

15 (B) The sources from which appointees were re-
16 cruited.

17 (C) The methodology used for identifying and
18 selecting appointees.

19 (D) Any additional information that the Sec-
20 retary considers helpful for assessing the utility of
21 the authority under this section.

22 **TITLE XII—JOINT WARFIGHTING** 23 **EXPERIMENTATION**

24 **SEC. 1201. FINDINGS.**

25 Congress makes the following findings:

1 (1) The collapse of the Soviet Union in 1991
2 and the unprecedented explosion of technological ad-
3 vances that could fundamentally redefine military
4 threats and military capabilities in the future have
5 generated a need to assess the defense policy, strat-
6 egy, and force structure necessary to meet future de-
7 fense requirements of the United States.

8 (2) The assessment conducted by the adminis-
9 tration of President Bush (known as the “Base
10 Force” assessment) and the assessment conducted
11 by the administration of President Clinton (known
12 as the “Bottom-Up Review”) were important at-
13 tempts to redefine the defense strategy of the United
14 States and the force structure of the Armed Forces
15 necessary to execute that strategy.

16 (3) Those assessments have become inadequate
17 as a result of the pace of global geopolitical change
18 and the speed of technological change, which have
19 been greater than expected.

20 (4) The Chairman of the Joint Chiefs of Staff
21 reacted to the changing environment by developing
22 and publishing in May 1996 a vision statement,
23 known as “Joint Vision 2010”, to be a basis for the
24 transformation of United States military capabilities.
25 The vision statement embodies the improved intel-

1 ligence and command and control that is available in
2 the information age and sets forth the operational
3 concepts of dominant maneuver, precision engage-
4 ment, full-dimensional protection, and focused logis-
5 tics to achieve the objective of full spectrum domi-
6 nance.

7 (5) In 1996 Congress, concerned about the
8 shortcomings in defense policies and programs de-
9 rived from the Base-Force Review and the Bottom-
10 Up Review, determined that there was a need for a
11 new, comprehensive assessment of the defense strat-
12 egy of the United States and the force structure of
13 the Armed Forces necessary for meeting the threats
14 to the United States in the 21st century.

15 (6) As a result of that determination, Congress
16 passed the Military Force Structure Review Act of
17 1996 (subtitle B of title IX of the National Defense
18 Authorization Act for Fiscal Year 1997), which re-
19 quired the Secretary of Defense to complete in 1997
20 a quadrennial defense review of the defense program
21 of the United States. The review was required to in-
22 clude a comprehensive examination of the defense
23 strategy, force structure, force modernization plans,
24 infrastructure, and other elements of the defense
25 program and policies with a view toward determining

1 and expressing the defense strategy of the United
2 States and establishing a revised defense program
3 through 2005. The Act also established a National
4 Defense Panel to assess the Quadrennial Defense
5 Review and to conduct an independent, nonpartisan
6 review of the strategy, force structure, and funding
7 required to meet anticipated threats to the national
8 security of the United States through 2010 and be-
9 yond.

10 (7) The Quadrennial Defense Review, com-
11 pleted by the Secretary of Defense in May 1997, de-
12 fined the defense strategy in terms of “Shape, Re-
13 spond, and Prepare Now”. The Quadrennial Defense
14 Review placed greater emphasis on the need to pre-
15 pare now for an uncertain future by exploiting the
16 revolution in technology and transforming the force
17 toward Joint Vision 2010. It concluded that our fu-
18 ture force will be different in character than our cur-
19 rent force.

20 (8) The National Defense Panel Report, pub-
21 lished in December 1997, concluded that “the De-
22 partment of Defense should accord the highest prior-
23 ity to executing a transformation strategy for the
24 United States military, starting now.” The panel
25 recommended the establishment of a Joint Forces

1 Command with the responsibility to be the joint
2 force integrator and provider and the responsibility
3 for driving the process for transforming United
4 States forces, including the conduct of joint experi-
5 mentation, and to have the budget for carrying out
6 those responsibilities.

7 (9) The assessments of both the Quadrennial
8 Defense Review and the National Defense Panel
9 provide Congress with a compelling argument that
10 the future security environment and the military
11 challenges to be faced by the United States in the
12 future will be fundamentally different than the cur-
13 rent environment and challenges. The assessments
14 also reinforce the foundational premise of the Gold-
15 water-Nichols Department of Defense Reorganiza-
16 tion Act of 1986 that warfare, in all of its varieties,
17 will be joint warfare requiring the execution of devel-
18 oped joint operational concepts.

19 (10) A process of joint experimentation is nec-
20 essary for—

21 (A) integrating advances in technology
22 with changes in the organizational structure of
23 the Armed Forces and the development of joint
24 operational concepts that will be effective

1 against national security threats anticipated for
2 the future; and

3 (B) identifying and assessing the inter-
4 dependent aspects of joint warfare that are key
5 for transforming the conduct of military oper-
6 ations by the United States to meet those an-
7 ticipated threats successfully.

8 (11) It is critical for future readiness that the
9 Armed Forces of the United States innovatively in-
10 vestigate and test technologies, forces, and joint
11 operational concepts in simulations, wargames, and
12 virtual settings, as well as in field environments
13 under realistic conditions against the full range of
14 future challenges. It is essential that an energetic
15 and innovative organization be established and em-
16 powered to design and implement a process of joint
17 experimentation to develop and validate new joint
18 warfighting concepts, along with experimentation by
19 the Armed Forces, that is directed at transforming
20 the Armed Forces to meet the threats to the na-
21 tional security that are anticipated for the early 21st
22 century. That process will drive changes in doctrine,
23 organization, training and education, materiel, lead-
24 ership, and personnel.

1 (12) The Department of Defense is committed
2 to conducting aggressive experimentation as a key
3 component of its transformation strategy.

4 (13) The competition of ideas is critical for
5 achieving effective transformation. Experimentation
6 by each of the Armed Forces has been, and will con-
7 tinue to be, a vital aspect of the pursuit of effective
8 transformation. Joint experimentation leverages the
9 effectiveness of each of the Armed Forces and the
10 Defense Agencies.

11 **SEC. 1202. SENSE OF CONGRESS.**

12 (a) DESIGNATION OF COMMANDER TO HAVE JOINT
13 WARFIGHTING EXPERIMENTATION MISSION.—It is the
14 sense of Congress that Congress supports the initiative of
15 the Secretary of Defense and the Chairman of the Joint
16 Chiefs of Staff to designate a commander of a combatant
17 command to have the mission for joint warfighting experi-
18 mentation, consistent with the understanding of Congress
19 that the Chairman of the Joint Chiefs of Staff will assign
20 the designated commander the tasks to develop and vali-
21 date new joint warfighting concepts and capabilities, and
22 to determine the implications, for doctrine, organization,
23 training and education, materiel, leadership, and person-
24 nel, of the Department of Defense strategy for transform-

1 ing the Armed Forces to meet the national security threats
2 of the future.

3 (b) RESOURCES OF COMMANDER.—It is, further, the
4 sense of Congress that the commander designated to have
5 the joint warfighting experimentation mission should—

6 (1) have sufficient freedom of action and au-
7 thority over the necessary forces to successfully es-
8 tablish and conduct the process of joint warfighting
9 experimentation;

10 (2) be provided resources adequate for the joint
11 warfighting experimentation process; and

12 (3) have authority over the use of the resources
13 for the planning, preparation, conduct, and assess-
14 ment of joint warfighting experimentation.

15 (c) AUTHORITY AND RESPONSIBILITIES OF COM-
16 MANDER.—It is, further, the sense of Congress that, for
17 the conduct of joint warfighting experimentation to be ef-
18 fective, it is necessary that the commander designated to
19 have the joint warfighting experimentation mission also
20 have the authority and responsibility for the following:

21 (1) Developing and implementing a process of
22 joint experimentation to formulate and validate con-
23 cepts critical for joint warfighting in the future, in-
24 cluding (in such process) analyses, simulations,
25 wargames, information superiority and other experi-

1 ments, advanced concept technology demonstrations,
2 and joint exercises conducted in virtual and actual
3 field environments.

4 (2) Planning, preparing, and conducting the
5 program of joint warfighting experimentation.

6 (3) Assessing the effectiveness of organizational
7 structures, operational concepts, and technologies
8 employed in joint experimentation, investigating op-
9 portunities for coordinating the evolution of the or-
10 ganizational structure of the Armed Forces compat-
11 ibly with the concurrent evolution of advanced tech-
12 nologies, and investigating new concepts for trans-
13 forming joint warfighting capabilities to meet the
14 operational challenges expected to be encountered by
15 the Armed Forces in the early 21st century.

16 (4) Coordinating with each of the Armed
17 Forces and the Defense Agencies regarding the de-
18 velopment of the equipment (including surrogate or
19 real technologies, platforms, and systems) necessary
20 for the conduct of joint experimentation, or, if nec-
21 essary, developing such equipment directly.

22 (5) Coordinating with each of the Armed
23 Forces and the Defense Agencies regarding the ac-
24 quisition of the materiel, supplies, services, and sur-
25 rogate or real technology resources necessary for the

1 conduct of joint experimentation, or, if necessary,
2 acquiring such items and services directly.

3 (6) Developing scenarios and measures of effec-
4 tiveness for joint experimentation.

5 (7) Conducting so-called “red team” vulner-
6 ability assessments as part of joint experimentation.

7 (8) Assessing the interoperability of equipment
8 and forces.

9 (9) Providing the Secretary of Defense and the
10 Chairman of the Joint Chiefs of Staff with the com-
11 mander’s recommendations (developed on the basis
12 of joint experimentation) for reducing unnecessary
13 redundancy of equipment and forces.

14 (10) Providing the Secretary of Defense and
15 the Chairman of the Joint Chiefs of Staff with the
16 commander’s recommendations (developed on the
17 basis of joint experimentation) regarding synchroni-
18 zation of the fielding of advanced technologies
19 among the Armed Forces to enable the development
20 and execution of joint operational concepts.

21 (11) Submitting, reviewing, and making rec-
22 ommendations (in conjunction with the joint experi-
23 mentation and evaluation process) to the Chairman
24 of the Joint Chiefs of Staff on mission needs state-
25 ments and operational requirements documents.

1 (12) Exploring new operational concepts (in-
 2 cluding those developed within the Office of the Sec-
 3 retary of Defense and Defense Agencies, other uni-
 4 fied commands, the Armed Forces, and the Joint
 5 Staff), and integrating and testing in joint experi-
 6 mentation the systems and concepts that result from
 7 warfighting experimentation by the Armed Forces
 8 and the Defense Agencies.

9 (13) Developing, planning, refining, assessing,
 10 and recommending to the Secretary of Defense and
 11 the Chairman of the Joint Chiefs of Staff the most
 12 promising joint concepts and capabilities for experi-
 13 mentation and assessment.

14 (14) Assisting the Secretary of Defense and the
 15 Chairman of the Joint Chiefs of Staff to prioritize
 16 joint requirements and acquisition programs on the
 17 basis of joint warfighting experimentation.

18 (d) CONTINUED EXPERIMENTATION BY OTHER DE-
 19 FENSE ORGANIZATIONS.—It is, further, the sense of Con-
 20 gress that—

21 (1) the Armed Forces are expected to continue
 22 to develop concepts and conduct intraservice and
 23 multiservice warfighting experimentation within their
 24 core competencies; and

1 (2) the commander of United States Special
2 Operations Command is expected to continue to de-
3 velop concepts and conduct joint experimentation as-
4 sociated with special operations forces.

5 (e) CONGRESSIONAL REVIEW.—It is, further, the
6 sense of Congress that—

7 (1) Congress will carefully review the initial re-
8 port and annual reports on joint warfighting experi-
9 mentation required under section 1203 to determine
10 the adequacy of the scope and pace of the trans-
11 formation of the Armed Forces to meet future chal-
12 lenges to the national security; and

13 (2) if the progress is inadequate, Congress will
14 consider legislation to establish a unified combatant
15 command with the mission, forces, budget, respon-
16 sibilities, and authority described in the preceding
17 provisions of this section.

18 **SEC. 1203. REPORTS ON JOINT WARFIGHTING EXPERIMEN-**
19 **TATION.**

20 (a) INITIAL REPORT.—(1) On such schedule as the
21 Secretary of Defense shall direct, the commander of the
22 combatant command assigned the mission for joint
23 warfighting experimentation shall submit to the Secretary
24 an initial report on the implementation of joint experimen-
25 tation. Not later than April 1, 1999, the Secretary shall

1 submit the report, together with any comments that the
2 Secretary considers appropriate and any comments that
3 the Chairman of the Joint Chiefs of Staff considers appro-
4 priate, to the Chairmen of the Committee on Armed Serv-
5 ices of the Senate and the Committee on National Security
6 of the House of Representatives.

7 (2) The initial report of the commander shall include
8 the following:

9 (A) The commander's understanding of the
10 commander's specific authority and responsibilities
11 and of the commander's relationship to the Sec-
12 retary of Defense, the Chairman of the Joint Chiefs
13 of Staff, the Joint Staff, the commanders of other
14 combatant commands, the Armed Forces, and the
15 Defense Agencies and activities.

16 (B) The organization of the commander's com-
17 batant command, and of its staff, for carrying out
18 the joint warfighting experimentation mission.

19 (C) The process established for tasking forces
20 to participate in joint warfighting experimentation
21 and the commander's specific authority over the
22 forces.

23 (D) Any forces designated or made available as
24 joint experimentation forces.

1 (E) The resources provided for joint
2 warfighting experimentation, including the personnel
3 and funding for the initial implementation of joint
4 experimentation, the process for providing the re-
5 sources to the commander, the categories of the
6 funding, and the authority of the commander for
7 budget execution.

8 (F) The authority of the commander, and the
9 process established, for the development and acquisi-
10 tion of the material, supplies, services, and equip-
11 ment necessary for the conduct of joint warfighting
12 experimentation, including the authority and process
13 for development and acquisition by the Armed
14 Forces and the Defense Agencies and the authority
15 and process for development and acquisition by the
16 commander directly.

17 (G) The authority of the commander to design,
18 prepare, and conduct joint experiments (including
19 the scenarios and measures of effectiveness used) for
20 assessing operational concepts for meeting future
21 challenges to the national security.

22 (H) The role assigned the commander for—

23 (i) integrating and testing in joint
24 warfighting experimentation the systems that

1 emerge from warfighting experimentation by
2 the Armed Forces or the Defense Agencies;

3 (ii) assessing the effectiveness of organiza-
4 tional structures, operational concepts, and
5 technologies employed in joint warfighting ex-
6 perimentation; and

7 (iii) assisting the Secretary of Defense and
8 the Chairman of the Joint Chiefs of Staff in
9 prioritizing acquisition programs in relationship
10 to future joint warfighting capabilities.

11 (I) Any other comments that the commander
12 considers appropriate.

13 (b) ANNUAL REPORT.—(1) On such schedule as the
14 Secretary of Defense shall direct, the commander of the
15 combatant command assigned the mission for joint
16 warfighting experimentation shall submit to the Secretary
17 an annual report on the conduct of joint experimentation
18 activities for the fiscal year ending in the year of the re-
19 port. Not later than December 1 of each year, the Sec-
20 retary shall submit the report, together with any com-
21 ments that the Secretary considers appropriate and any
22 comments that the Chairman of the Joint Chiefs of Staff
23 considers appropriate, to the Chairmen of the Committee
24 on Armed Services of the Senate and the Committee on

1 National Security of the House of Representatives. The
2 first annual report shall be submitted in 1999.

3 (2) The annual report of the commander shall in-
4 clude, for the fiscal year covered by the report, the follow-
5 ing:

6 (A) Any changes in—

7 (i) the commander's authority and respon-
8 sibilities for joint warfighting experimentation;

9 (ii) the commander's relationship to the
10 Secretary of Defense, the Chairman of the
11 Joint Chiefs of Staff, the Joint Staff, the com-
12 manders of the other combatant commands, the
13 Armed Forces, or the Defense Agencies or ac-
14 tivities;

15 (iii) the organization of the commander's
16 command and staff for joint warfighting experi-
17 mentation;

18 (iv) any forces designated or made avail-
19 able as joint experimentation forces;

20 (v) the process established for tasking
21 forces to participate in joint experimentation
22 activities or the commander's specific authority
23 over the tasked forces;

24 (vi) the procedures for providing funding
25 for the commander, the categories of funding,

1 or the commander's authority for budget execu-
2 tion;

3 (vii) the authority of the commander, and
4 the process established, for the development
5 and acquisition of the material, supplies, serv-
6 ices, and equipment necessary for the conduct
7 of joint warfighting experimentation;

8 (viii) the commander's authority to design,
9 prepare, and conduct joint experiments (includ-
10 ing the scenarios and measures of effectiveness
11 used) for assessing operational concepts for
12 meeting future challenges to the national secu-
13 rity; or

14 (ix) any role described in subsection
15 (a)(2)(H).

16 (B) The conduct of joint warfighting experi-
17 mentation activities, including the number of activi-
18 ties, the forces involved, the national security chal-
19 lenges addressed, the operational concepts assessed,
20 and the scenarios and measures of effectiveness
21 used.

22 (C) An assessment of the results of warfighting
23 experimentation within the Department of Defense.

1 (D) The effect of warfighting experimentation
2 on the process for transforming the Armed Forces
3 to meet future challenges to the national security.

4 (E) Any recommendations that the commander
5 considers appropriate regarding—

6 (i) the development or acquisition of ad-
7 vanced technologies; or

8 (ii) changes in organizational structure,
9 operational concepts, or joint doctrine.

10 (F) An assessment of the adequacy of re-
11 sources, and any recommended changes for the proc-
12 ess of providing resources, for joint warfighting ex-
13 perimentation.

14 (G) Any recommended changes in the authority
15 or responsibilities of the commander.

16 (H) Any additional comments that the com-
17 mander considers appropriate.